

Edelweiss Commodities Services Limited

Financial statements
together with the
Independent Auditor's Report
for the year ended 31 March 2017

Edelweiss Commodities Services Limited

**Financial statements together with the Independent auditor's report
for the year ended 31 March 2017**

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B S R & Associates LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of Edelweiss Commodities Services Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Edelweiss Commodities Services Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 and presentation of these standalone 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 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 standalone 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 standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

Independent Auditor's Report (Continued)

Edelweiss Commodities Services Limited

Auditor's responsibility (Continued)

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 standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2017, and its profits and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

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 Act, we give in the Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.

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 standalone financial statements 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 the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.32 to the standalone financial statements;



Independent Auditor's Report (Continued)

Edelweiss Commodities Services Limited

Report on other legal and regulatory requirements (Continued)

- ii. the Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts - Refer Note 2.47 to the standalone financial statements; and
- iii. there were no amounts required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv. the Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 2.46 to the standalone financial statements.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
16 May 2017

Edelweiss Commodities Services Limited

Annexure A to the Independent Auditors' Report of even date on the standalone financial statements of Edelweiss Commodities Services Limited

The Annexure referred to in Independent Auditors' Report to the members of Edelweiss Commodities Services Limited ("the Company") on the standalone financial statements for the year ended 31 March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) 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 the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. (a) With regards to stock-in-trade, the Company has conducted at reasonable intervals during the year, physical verification of commodities on the basis of actual verification or on the basis of electronic accounting stock statements received from Commodity Exchange and in respect of securities, on the basis of electronic statements received from depository participants.
- (b) The procedures for physical verification of stock-in-trade followed by management are reasonable and adequate in relation to the size of the company and nature of business.
- (c) The company is maintaining proper records of stock-in-trade. No material discrepancies have been noticed on physical verification of stock-in-trade.
- iii. 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 Act. Accordingly, para 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans given and investments made.
- v. According to the information and explanation given to us, the Company has not accepted any deposits from the public to which directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Act and the rules framed thereunder apply.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.



Edelweiss Commodities Services Limited

Annexure A to the Independent Auditors' Report of even date on the standalone financial statements of Edelweiss Commodities Services Limited (*Continued*)

- 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, service tax, value added tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, customs duty, excise duty and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, service tax, value added tax, and other material statutory dues were in arrears as at 31 March 2017 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 provident fund, service tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanations given to us, the following dues have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in Rs. mn)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	79.11	AY 2012-13	Commissioner of Income Tax (Appeals)
Rajasthan Value Added Tax, 2013	Value Added Tax	13.13	AY 2011-12	Tax Board
Gujarat Value Added Tax, 2013	Value Added Tax	118.43	AY 2010-11	Joint Commissioner (Appeals)
Madhya Pradesh Value Added Tax, 2012	Value Added Tax	2.15	AY 2013-14	Additional Commissioner of Commercial Tax
West Bengal Value Added Tax, 2003	Value Added Tax	2.7	AY 2013-14	Joint Commissioner
Tamil Nadu Value Added Tax, 2006	Value Added Tax	2.88	AY 2014-15	Joint Commissioner (Appeals)
Gujarat Value Added Tax, 2013	Value Added Tax	2.35	AY 2013-14	Deputy Commissioner of Commercial Tax
Gujarat Value Added Tax, 2013	Value Added Tax	19.78	AY 2013-14	Deputy Commissioner of Commercial Tax
The Bombay Stamp Act, 1958	Stamp Duty	0.98	F.Y. 2005-06	Maharashtra State Government
The Bombay Stamp Act, 1958	Stamp Duty	0.25	F.Y. 2006-07	Maharashtra State Government

Edelweiss Commodities Services Limited

Annexure A to the Independent Auditors' Report of even date on the standalone financial statements of Edelweiss Commodities Services Limited (*Continued*)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, Government or debenture holders.
- ix. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material 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, the Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 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 the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of Non- Convertible Debentures during the year in accordance with Section 42 of Companies Act 2013 and have been used for the purpose for which the funds were raised.
- 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 any 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 Reserve Bank of India Act, 1934.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Edelweiss Commodities Services Limited

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of Edelweiss Commodities Services Limited

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 Edelweiss Commodities Services Limited (the "Company") as of 31 March 2017 in conjunction with our audit of the standalone 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "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 the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

Auditor's 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 and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. 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.



Edelweiss Commodities Services Limited

Annexure - B to the Independent Auditor's Report of even date on the standalone financial statements of Edelweiss Commodities Services Limited (*Continued*)

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, 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 2017, 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 issued by the ICAI.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
16 May 2017

Edelweiss Commodities Services Limited

Balance Sheet

(Currency: Rupees in millions)

	Note No.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	570.65	570.65
Reserves and surplus	2.2	5,186.35	5,233.78
		5,757.00	5,804.43
Non-current liabilities			
Long-term borrowings	2.3	25,934.29	11,913.50
Other long term liabilities	2.4	1,184.43	401.02
Long-term provisions	2.5	50.32	49.69
		27,169.04	12,364.21
Current liabilities			
Short-term borrowings	2.6	71,639.56	49,568.71
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.7	3,966.29	2,754.64
Other current liabilities	2.8	5,988.12	4,787.64
Short-term provisions	2.9	396.30	127.10
		81,990.27	57,238.09
TOTAL		1,14,916.31	75,406.73
ASSETS			
Non-current assets			
Fixed assets			
Property plant and Equipment	2.10	2,971.05	3,090.23
Intangible assets	2.10	99.09	92.90
Capital work-in-progress		0.39	78.11
Non-current investments	2.11	10,684.89	7,825.80
Deferred tax assets (net)	2.12	65.39	32.14
Long-term loans and advances	2.13	1,329.43	1,069.66
Other non-current assets	2.14	12.40	1,560.98
		15,162.64	13,749.82
Current assets			
Current investments	2.15	10.08	-
Stock-in-trade	2.16	22,991.49	17,839.12
Trade receivables	2.17	452.15	377.75
Cash and bank balances	2.18	2,295.59	1,475.96
Short-term loans and advances	2.19	72,033.82	41,354.03
Other current assets	2.20	1,970.54	610.05
		99,753.67	61,656.91
TOTAL		1,14,916.31	75,406.73

Significant accounting policies and notes to the financial statements

1 & 2

The notes referred to above form an integral part of the financial statements
As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

Ashwin Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors of
Edelweiss Commodities Services Limited

Rujan Panjwani

Executive Director

DIN No.: 00237366

Kalpna Maniar

Director

DIN No.: 00719180

Manish Jethwa

Chief Financial Officer

Mumbai

16 May 2017

Sangeeta Shetty

Company Secretary

Mumbai

16 May 2017

Edelweiss Commodities Services Limited

Statement of Profit and Loss

(Currency: Rupees in millions)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Fee and commission income	2.21	5.40	86.33
Income from treasury operations and investments	2.22	(582.51)	366.32
Interest income	2.23	9,536.27	7,547.80
Sale of commodities		33,681.23	1,63,098.79
Sale of manufactured products		120.44	432.77
Other operating revenue	2.24	393.96	417.26
Other income	2.25	50.36	26.05
Total Revenue		43,205.15	1,71,975.32
Expenses			
Cost of materials consumed		101.91	246.12
Purchase of commodities		20,843.22	1,55,890.35
Changes in stock-in-trade of commodities		11,177.29	6,362.22
Employee benefit expenses	2.26	366.50	363.20
Finance costs	2.27	9,040.49	6,807.84
Depreciation and amortisation expense	2.10	281.23	358.36
Other expenses	2.28	586.77	997.97
Total expenses		42,397.41	1,71,026.06
Profit before tax		807.74	949.26
Tax expense:			
Current tax [includes short provision of earlier years Rs. 30.90 million; (Previous year - Rs. 36.90 million)]		269.50	432.25
Minimum alternate tax credit entitlement		-	(14.36)
Deferred tax		(33.25)	(118.85)
Profit for the year		571.49	650.22
Earnings per equity share (face value of Rs. 10 each)			
Basic and diluted (in rupees)	2.35	17.64	20.29
Significant accounting policies and notes to the financial statements	1 & 2		

The notes referred to above form an integral part of the financial statements
As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
Firm Registration No. 116231W/W-100024

Ashwin Suvarna
Partner
Membership No: 109503

For and on behalf of the Board of Directors of
Edelweiss Commodities Services Limited

Rujan Parjwani
Executive Director
DIN No.: 00237366

Kalpna Maniar
Director
DIN No.: 00719180

Manish Jethwa
Chief Financial Officer

Sangeeta Shetty
Company Secretary

Mumbai
16 May 2017

Mumbai
16 May 2017

Edelweiss Commodities Services Limited

Cash Flow Statement

(Currency: Rupees in millions)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A Cash flow from operating activities		
Profit before tax	807.74	949.26
Adjustments for		
Depreciation and amortisation expense	281.23	358.36
Diminution in value of non-current investments	4.36	28.51
Loss on write-off of fixed assets (net)	1.21	0.39
Provision for doubtful debts	12.13	8.84
Unrealised foreign exchange loss / (gain)	-	56.70
Dividend on non-current investment	-	(0.18)
Provision for compensated leave absences	(0.59)	1.46
Profit on sale of investments	(109.24)	-
Share of loss from partnership firm	25.43	11.55
Interest expense	3,483.15	3,756.41
Operating cash flow before working capital changes	4,505.42	5,171.30
Adjustments for working capital changes		
(Increase)/decrease in trade receivables	(86.53)	756.96
(Increase)/ decrease in stock-in-trade	(5,152.37)	10,693.80
(Increase)/ decrease in loans and advances	350.06	3,741.37
Decrease in other current assets	188.11	633.59
Decrease in current liabilities and provisions	(55.80)	(6,675.46)
Cash generated from operations	(251.11)	14,321.56
Income taxes paid	(338.58)	(410.82)
Net cash (used in) / generated from operating activities - A	(589.69)	13,910.74
B Cash flow from investing activities		
Purchase of fixed assets (including capital work-in progress)	(93.50)	(117.40)
Proceeds from sale of fixed assets	1.77	0.96
Dividend received on non-current investment	-	0.18
Purchase of investments	(3,765.32)	(34.81)
Proceeds from sale of investments	975.60	-
Loans given (net) (Refer note 1)	(31,576.30)	(23,665.47)
Net cash used in investing activities - B	(34,457.75)	(23,816.54)
C Cash flow from financing activities		
Proceeds from borrowing of secured loans (net) (Refer note 1)	13,891.55	4,526.41
Proceeds from / repayment of unsecured loans (net) (Refer note 1)	14,069.05	(13,005.19)
Proceeds from issuance of commercial paper (net) (Refer note 1)	10,603.34	21,755.57
Dividend and dividend distribution tax paid	(350.82)	(171.63)
Interest paid	(2,701.77)	(3,132.07)
Net cash generated from financing activities - C	35,511.35	9,973.09
Net increase in cash and cash equivalents (A+B+C)	463.91	67.29



Edelweiss Commodities Services Limited

Cash Flow Statement (continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash and cash equivalents as at the beginning of the year	159.97	92.68
Cash and cash equivalents as at the end of the year (Refer note 2.18)	623.88	159.97

Note:

- 1 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For **BSR & Associates LLP**

Chartered Accountants

Firm Registration No. 116231W/W-100024


Ashwin Suvarna

Partner

Membership No: 109503

For and on behalf of the Board of Directors of
Edelweiss Commodities Services Limited


Rujan Panjwani
Executive Director
DIN No.: 00237366


Kalpana Maniar
Director
DIN No.: 00719180


Manish Jethwa
Chief Financial Officer


Sangeeta Shetty
Company Secretary

Mumbai
16 May 2017

Mumbai
16 May 2017

Edelweiss Commodities Services Limited

Notes to the financial statements

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 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 Schedule III to the Act. The financial statements are presented in Indian rupees in millions.

1.2 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the 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 twelve 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 twelve 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 twelve months after the reporting date or the Company does not have an unconditional right to defer settlement of the liability for at least twelve 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.



Edelweiss Commodities Services Limited

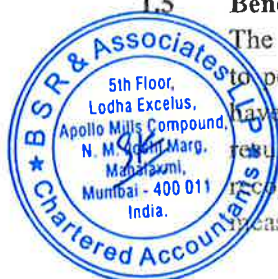
Notes to the financial statements (Continued)

1.4 Revenue recognition

- Brokerage income is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date.
- Fee income is accounted on accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Income from treasury comprises of profit/loss on sale of securities and commodities 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, market intermediary quotes and valuation techniques are used to determine the fair value. In most cases the valuation techniques quotes obtained from brokers are used as input parameters in the fair value measure.
- Commodities' sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.
- Revenue from sale of processed goods is recognized net of returns, on transfer of significant risks and rewards in respect of ownership to the buyer. Sales exclude sales tax and value added tax.
- Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods in favor of buyer before the goods cross the custom frontiers of India.
- Interest income is recognised on accrual basis.
- Interests on delayed payments, warehousing charges and rental income are recognised on accrual basis by reference to the agreements entered.
- In case of commercial papers, deep discount bonds and certificate of deposits, the difference between the acquisition cost and redemption value are apportioned on time proportionate basis and recognised as interest income.
- Profit / loss from share in partnership firm is accounted for once the amount of the share of profit/ loss is ascertained and credited / debited to the Company's account in the books of the partnership firm.
- Dividend income is recognised when the right to receive payment is established.

1.5 Benchmark linked debentures

The Company has issued certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debentures. Such debentures have a component of an embedded derivative which is fair valued at year end. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

1.6 Fixed assets and depreciation/amortisation

Property plant and equipment and Capital work-in-progress

Property plant and equipment are stated at cost of acquisition or construction, less accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided 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 schedule II of the Act for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Class of asset	Estimated useful life
Building (Other than Factory Building)	60 years
Plant and equipments	15 years
Furniture and fixtures	10 years
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
Solar Power Plant	15 years

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

Property plant and equipment:

Property plant and equipment are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Goodwill is amortised over a period of 5 years.

Intangibles such as computer software is amortised over a period of 3 years based on its estimated useful life.

1.7 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.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

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 Stock-in-trade

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade are valued at lower of weighted average cost or market value.
- c) In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- d) Purchase and sale of bullion is recorded at the price which is fixed between the buyer and the seller at the future date including the contracts where the price is fixed subsequent to the balance sheet date. In case of unfixed purchase/sale contracts as at the reporting date, the price is recorded at the forward rate for the residual maturity period of the contract.
- e) Inventories in the form of commodities are valued at cost or net realisable value, whichever is lower.
- f) Debt instruments are valued at cost or realizable value whichever is lower. In case of debt instruments for which direct quotes are not available, they are valued at the lowest of the quotes as on valuation date as provided by market intermediaries. In case quotes from market intermediaries are not available, the debt instruments are valued at carrying cost.
- g) Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.

1.10 Investments

Investments are classified into non-current (long term) 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 (long term) 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.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

1.11 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.

1.12 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 and national pension scheme

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

Gratuity

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

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

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

Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

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 independent actuary.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

1.12 Employee benefits (continued)

Deferred Bonus

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

1.13 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.

1.14 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 substantively 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.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

1.15 Operating leases

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

1.16 Provisions and contingencies

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

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

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

1.17 Presentation of financial assets and liabilities

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



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions except share data)

	As at 31 March 2017	As at 31 March 2016
2.1 Share capital		
(i) Authorised:		
30,000,000 (Previous year: 30,000,000) equity shares of Rs. 10 each	300.00	300.00
72,000,000 (Previous year: 72,000,000) preference shares of Rs. 10 each	720.00	720.00
	1,020.00	1,020.00

(ii) Issued, Subscribed and Paid up:

29,775,368 (Previous year: 29,775,368) equity shares of Rs. 10 each, fully paid up	297.75	297.75
2,000,000 (Previous year: 2,000,000) 7% non-cumulative non-convertible redeemable preference shares of Rs. 10 each, fully paid up	20.00	20.00
25,290,000 (Previous year: 25,290,000) 14.625% cumulative non-convertible redeemable preference shares of Rs. 10 each, fully paid up	252.90	252.90
	570.65	570.65

(The entire paid up equity share capital is held by Edelweiss Financial Services Limited, the holding company and its nominees).

(iii) Reconciliation of shares outstanding at the beginning and at the end of the year:

	31 March 2017		31 March 2016	
	Number of shares	Amount	Number of Shares	Amount
Equity shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	2,97,75,368	297.75	2,97,75,368	297.75
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,97,75,368	297.75	2,97,75,368	297.75
7% Non-cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	20,00,000	20.00	20,00,000	20.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	20,00,000	20.00	20,00,000	20.00
14.625% Cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	2,52,90,000	252.90	2,52,90,000	252.90
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,52,90,000	252.90	2,52,90,000	252.90

(iv) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

	31 March 2017		31 March 2016	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
(a) Equity shares				
Edelweiss Financial Services Limited, the holding company and its nominees	2,97,75,368	100%	2,97,75,368	100%
(b) Preference shares				
7% Non-cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid				
Edelweiss Securities Limited, the subsidiary of the holding company	10,00,000	50%	10,00,000	50%
ECL Finance Limited, the subsidiary of the holding company	10,00,000	50%	10,00,000	50%
	20,00,000	100%	20,00,000	100%



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions except share data)

2.1 Share capital (continued)

(v) Details of shares in the Company held by each shareholder holding more than 5 percent shares:

	31 March 2017		31 March 2016	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid up				
Edelweiss Financial Services Limited, the holding company and its nominees	2,97,75,368	100%	2,97,75,368	100%
7% Non-cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid up				
Edelweiss Securities Limited, the subsidiary of the holding company	10,00,000	50%	10,00,000	50%
ECL Finance Limited, the subsidiary of the holding company	10,00,000	50%	10,00,000	50%
14.625% Cumulative non-convertible redeemable preference shares of Rs. 10 each fully paid up				
Lalita Omkarnath Malpani	33,40,000	13.21%	33,40,000	13.21%
Balagopal Chandrasekhar	21,00,000	8.30%	21,00,000	8.30%
HB Esmech Private Limited	15,60,000	6.17%	16,60,000	6.56%
The Bombay Oil Industries Private Limited	13,40,000	5.30%	13,40,000	5.30%
Indu Devendra Kothari	13,34,000	5.27%	13,34,000	5.27%
Kishore V Mariwala	13,30,000	5.26%	13,30,000	5.26%

Rights, preferences and restrictions 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.

Rights, preferences and restrictions attached to 7% non-cumulative non-convertible redeemable preference shares:

1,000,000 preference shares held by Edelweiss Securities Limited:

The preference shares of the face value of Rs. 10 each were issued at the rate of Rs. 1,000 per share. The preference shares were allotted on March 29, 2012. The preference shares are non-cumulative and non-convertible. The preference shares carry a non-cumulative dividend of 7%. The preference shares will be redeemed at Rs. 1,000 per share at the end of 5 years from the date of allotment with an option to redeem the shares at any time after a period of 3 months from the date of allotment.

1,000,000 preference shares held by ECL Finance Limited:

The preference shares of the face value of Rs. 10 each were issued at the rate of Rs. 1,000 per share. The preference shares were allotted on August 14, 2012. The preference shares are non-cumulative and non-convertible. The preference shares carry a non-cumulative dividend of 7%. The preference shares will be redeemed at Rs. 1,000 per share at the end of 5 years from the date of allotment.

Rights, preferences and restrictions attached to 14.625% cumulative non-convertible redeemable preference shares:

The preference shares of the face value of Rs. 10 each were issued at the rate of Rs. 15 per share. The preference shares were allotted on July 19, 2013. The preference shares are cumulative and redeemable. The preference shares carry a cumulative dividend of 14.625%. The preference shares will be redeemed at a premium of Rs. 5 per preference share over the face value together with the unpaid dividend till the date of redemption. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment.

Note 1:

No share allotted as fully paid up by way of bonus shares by the Company during the period of five years immediately preceding the balance sheet date.

Note 2:

No shares bought back by the Company during the period of five years immediately preceding the balance sheet date.



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.2 Reserves and surplus		
Securities premium account		
Opening balance	3,146.31	3,146.31
Add : utilisation during the year	(27.70)	-
	3,118.61	3,146.31
Debenture redemption reserve		
Opening balance	991.32	18.00
Add : additions during the year	637.21	973.32
	1,628.53	991.32
General reserve		
Opening balance	181.68	181.68
Add : additions during the year	-	-
	181.68	181.68
Surplus in the statement of profit and loss		
Opening balance	914.47	1,409.34
Add : profit for the year	571.49	650.22
Amount available for appropriation	1,485.96	2,059.56
Appropriations:		
Transfer to debenture redemption reserve	637.21	973.32
Interim dividend on equity shares	452.59	104.21
Dividend distribution tax	100.24	29.17
Dividend on preference shares	38.39	38.39
Net surplus in the statement of profit and loss	257.53	914.47
	5,186.35	5,233.78
2.3 Long-term borrowings		
Secured (Refer note 2.41)		
Non-convertible debentures	23,903.04	9,350.00
(The debentures are secured by a first mortgage and charge over the immovable property and a pari passu charge on the receivables and stock-in-trade to the extent equal to the principal and interest amount i.e. redemption value of debentures)		
Term Loans from a bank	2,031.25	2,437.50
(Secured by charge on immovable property with bank)		
	25,934.29	11,787.50
Unsecured (Refer note 2.41)		
Loans from related parties	-	0.50
Loans from others	-	125.50
	-	126.00
	25,934.29	11,913.50



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.4 Other long term liabilities		
Others		
Rental deposits	84.66	34.66
Interest accrued but not due on borrowings	1,099.77	366.36
	1,184.43	401.02
2.5 Long-term provisions		
Provision for employee benefits		
Compensated leave absences	2.12	2.57
Deferred bonus	48.20	47.12
	50.32	49.69
2.6 Short-term borrowings		
Secured		
Loans repayable on demand		
Overdraft from banks	-	1,989.98
(Secured by pledge of current assets)		
Term Loans		
from banks*	1,000.00	1,737.56
(Secured by pledge of warehouse receipts of stock-in-trade)		
	1,000.00	3,727.54
Unsecured		
Term loan from bank *	7,500.00	
Loans and advances from related parties *	8,569.17	562.56
Inter-corporate deposits	487.50	248.00
Loans and advances from others *	-	1,551.06
Commercial paper	55,030.00	44,410.00
Less: Unamortised discount on commercial paper	(947.11)	(930.45)
	54,082.89	43,479.55
(* Repayable on demand, at variable rates of interest)		
	70,639.56	45,841.17
	71,639.56	49,568.71
2.7 Trade payables		
Payable to :		
Others	3,966.29	2,754.64
(includes Sundry Creditors ,provision for expenses & customer payables)		
	3,966.29	2,754.64



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.8 Other current liabilities		
Current maturities of long term debts		
Non-convertible debentures (Refer note 2.41)	4,115.00	1,615.00
(The debentures are secured by a first mortgage and charge over the immovable property and a pari passu charge on the receivables and stock-in-trade to the extent equal to the principal and interest amount i.e. redemption value of debentures)		
Term loan from a bank (Refer note 2.41)	406.25	406.25
(Secured by charge on immovable property with banks)		
Interest accrued but not due on borrowings	353.73	348.71
Interest accrued and due on borrowings / margin	114.13	71.18
Other payables		
Accrued salaries and benefits	52.18	140.79
Withholding tax, service tax and other taxes payable	47.32	166.49
Payable towards exchange trades settlement	-	693.28
Advances from customers	20.93	1,283.23
Book overdrafts	808.77	8.25
Retention money payable	5.32	2.98
Others	64.49	51.48
	5,988.12	4,787.64
2.9 Short-term provisions		
Provision for employee benefits		
Gratuity	-	0.26
Compensated leave absences	0.43	0.56
Deferred bonus	109.28	80.08
Others		
Interim dividend on equity and preference shares	237.88	38.39
Provision for dividend distribution tax	48.71	7.81
	396.30	127.10



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

2.10 Fixed Assets

Description of Assets	Gross Block			Depreciation and amortisation			Net Block		
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 1 April 2016	Charge for the year	Deductions during the year	As at 31 March 2017	As at 31 March 2016
Property, plant and Equipment									
Land	189.11	5.05	-	194.16	-	-	-	194.16	189.11
Building	3,447.46	-	-	3,447.46	699.36	137.41	-	2,610.69	2,748.10
Plant and equipment	0.62	0.61	0.12	1.11	0.19	0.15	0.05	0.82	0.43
Furniture and fixtures	99.58	3.05	4.43	98.20	60.69	11.02	3.15	29.64	38.89
Vehicles	11.62	3.65	0.66	14.61	6.24	2.51	0.22	6.08	5.38
Office equipments	213.38	3.89	2.38	214.89	187.49	16.02	2.24	13.62	25.89
Computers and networking	237.79	7.92	14.23	231.48	167.55	31.42	13.18	45.69	70.24
Household improvements	19.64	-	0.86	18.78	7.45	3.89	0.86	8.30	12.19
Solar power plant	-	62.20	-	62.20	-	0.15	-	62.05	-
Total : A	4,219.20	86.37	22.68	4,282.89	1,128.97	202.57	19.70	2,971.05	3,090.23
Intangible assets									
Goodwill	531.84	-	-	531.84	494.51	18.66	-	18.67	37.33
Computer software	90.93	84.85	-	175.78	35.36	60.00	-	80.42	55.57
Total : B	622.77	84.85	-	707.62	529.87	78.66	-	99.09	92.90
Grand Total (A+B)	4,841.97	171.22	22.68	4,990.51	1,658.84	281.23	19.70	3,070.14	3,183.13



Edelweiss Commodities Services Limited

Notes to the Financial statements (Continued)

(Currency: Rupees in millions)

2.16 Fixed Assets (continued)

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	As at 1 April 2015	Adjustment in Opening Reserve (Refer note below)	Charge for the year	Deductions during the year	As at 31 March 2016	As at 31 March 2015
Property plant and equipment										
Land	189.11	-	-	189.11	-	-	-	-	189.11	189.11
Building	3,447.46	-	-	3,447.46	554.72	-	144.64	-	699.36	2,748.10
Plant and equipment	0.44	0.18	-	0.62	0.08	-	0.11	-	0.19	0.36
Furniture and fixtures	95.93	6.92	3.27	99.58	49.52	-	13.30	2.13	60.69	46.41
Vehicles	10.48	1.69	0.55	11.62	4.59	-	2.03	0.38	6.24	5.89
Office equipments	209.70	3.69	0.01	213.38	150.98	-	36.51	-	187.49	58.72
Computers and networking	186.62	51.24	0.07	237.79	141.23	-	26.36	0.04	167.55	45.39
Leasehold improvements	19.39	0.25	-	19.64	3.26	-	4.19	-	7.45	16.13
Total : A	4,159.13	63.97	3.90	4,219.20	904.38	-	227.14	2.55	1,128.97	3,254.75
Intangible assets										
Goodwill	531.84	-	-	531.84	388.10	-	106.41	-	494.51	143.74
Computer software	59.77	31.16	-	90.93	10.55	-	24.81	-	35.36	49.22
Total : B	591.61	31.16	-	622.77	398.65	-	131.22	-	529.87	192.96
Grand Total [A+B]	4,750.74	95.13	3.90	4,841.97	1,303.03	-	358.36	2.55	1,658.84	3,447.71



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017			As at 31 March 2016		
	Face value*	Quantity	Amount	Face value*	Quantity	Amount
2.11 Non-current investments						
Investments in equity instruments (quoted)						
Health Care Global Enterprise Limited	10	7,59,926	65.81	-	-	-
Others (unquoted)						
Investments in equity instruments of subsidiaries (fully paid up)						
Edelweiss Housing Finance Limited	10	3,83,00,000	2,829.00	10	3,83,00,000	2,829.00
Edel Commodities Limited	10	50,000	0.50	10	50,000	0.50
Edelweiss Capital Markets Limited	10	63,00,000	68.20	10	63,00,000	68.20
EFSL Comtrade Limited	10	1,70,000	6.50	10	1,70,000	6.50
Edelweiss Metals Limited	-	-	-	10	50,50,000	250.50
Edelweiss Agri Value Chain Limited	10	10,00,50,000	1,000.50	10	10,00,50,000	1,000.50
Eternity Business Centre Limited	-	-	-	10	1,91,60,500	191.61
Serenity Business Park Limited	-	-	-	10	1,91,60,500	191.61
			3,904.70			4,538.42
Investments in equity instruments of associate companies (fully paid up)						
Allium Finance Private Limited	10	8,00,000	21.18	10	8,00,000	21.18
Investments in equity instruments of other group companies (fully paid up)						
ECL Finance Limited	1	14,69,76,650	862.84	1	14,69,76,650	862.84
Edelweiss Asset Reconstruction Company Limited	10	2,09,64,082	446.43	-	-	-
Investments in equity instruments of other companies (fully paid up)						
Health Care Global Enterprise Limited	-	-	-	10	11,59,926	100.45
Silverglades Infrastructure Private Limited	10	1,900	0.02	-	-	-
The Catholic Syrian Bank Limited	10	12,14,453	130.59	10	8,74,814	92.37
Less : Diminution in value of investments			(4.36)			-
			126.23			92.37
Metropolitan Stock Exchange of India Limited	1	5,70,20,000	85.53	1	5,70,20,000	85.53
Less : Diminution in value of investments			(28.51)			(28.51)
			183.27			249.84
Investments in preference shares of other companies (fully paid up)						
Non cumulative non convertible redeemable						
7% Edelweiss Securities Limited	10	2,60,000	260.00	10	2,60,000	260.00
0.01% Edelweiss Investment Advisors Limited	10	1,60,000	160.00	10	1,60,000	160.00
1% Edelweiss Investment Advisors Limited	10	45,000	45.00	10	45,000	45.00
0.01% Edel Land Limited	10	1,25,000	125.11	10	1,25,000	125.11
Non cumulative optionally convertible redeemable						
11% Edelweiss Broking Limited	10	12,67,000	1,267.00	10	6,67,000	667.00
Non cumulative compulsory convertible redeemable						
0.01% Arum Investments Private Limited	10	13,27,486	188.37	10	13,27,486	188.37
7% Prefrence shares of Ecap Equities Limited	10	18,00,000	1,800.00	-	-	-
			3,845.48			1,445.48
Investments in debentures (fully paid up)						
ECL Finance Limited	1,00,000	5,000	500.00	1,00,000	5,000	500.00
Goldenlife Financial Services Private Limited	5,000	2,000	10.00	5,000	20,000	100.00
AT Invofin India Private Limited	-	-	-	1,000	1,08,000	108.00
10% Mantri Metalics Private Limited	10,00,000	450	468.87	-	-	-
14% Orissa Stevedores Limited	9,26,829	210	220.50	-	-	-
10% Appu Hotels Limited	6,29,122	130	112.04	-	-	-
			1,311.41			708.00
Investments in partnership firm, Capital account						
Edelvalue Partners			-			0.01
Edelweiss Wealth Advisors LLP			0.03			0.03
Investment in others						
Edelweiss Private Equity Tech Fund			43.74			-
			<u>10,684.89</u>			<u>7,825.80</u>
Aggregate value of quoted investments						
At carrying value			65.81			-
At market value			173.83			207.10
Aggregate value of unquoted investment						
At carrying value			10,619.08			7,825.79

*Amount in rupees



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.12 Deferred tax		
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	108.60	85.45
Unrealised gain on derivatives	0.01	40.97
Others	38.10	38.11
	<u>146.71</u>	<u>164.53</u>
Deferred tax assets		
Tax effect of the timing differences on account of:		
Provision for doubtful debts	145.23	141.02
Disallowances under section 43B of the Income Tax Act, 1961	55.38	45.11
Others	11.49	10.54
	<u>212.10</u>	<u>196.67</u>
Deferred tax assets (net)	<u>65.39</u>	<u>32.14</u>
2.13 Long-term loans and advances (Unsecured, considered good)		
Loans and advances to a related party	-	552.93
Loans and advances to others	552.93	-
Capital advances	226.20	0.79
Other loans and advances		
Advance income tax [net of provision for taxation Rs. 1,355.24 million, (Previous year Rs. 1,283.09 million)]	550.30	515.94
	<u>1,329.43</u>	<u>1,069.66</u>
2.14 Other non-current assets		
Long term deposits with banks (Refer note 2.33)		
(Held as margin money or security against borrowings, guarantees)	12.28	1,560.92
Accrued interest on fixed deposits	0.12	0.06
	<u>12.40</u>	<u>1,560.98</u>
2.15 Current investments		
Others (Unquoted)		
Investments in current account with partnership firms (Refer note 2.31)		
Edelweiss Wealth Advisors LLP	10.08	-
	<u>10.08</u>	<u>-</u>
Aggregate amount of unquoted current investment	10.08	-



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017			As at 31 March 2016		
	Face value*	Quantity	Amount	Face value*	Quantity	Amount
2.16 Stock-in-trade						
Debentures bonds and Commercial papers (CP) (quoted)						
12.00% Future Corporate Resources Limited 29.01.2020 NCD (SR-I)	-	-	-	1,00,00,000	5	50.00
10.00% Unitech Machines Limited 29.02.2024 NCD	10,00,000	1,300	1,300.00	-	-	-
7.35% Indian Railway Finance Corporation 22.03.2031 NCD	1,000	1,17,635	120.34	-	-	-
7.28% Indian Railway Finance Corporation 21.12.2030 NCD	1,000	60,400	60.88	-	-	-
7.11% Power Finance Corporation Limited 17.10.2025 Bonds	1,000	12,835	12.52	-	-	-
9.21% Punjab National Bank Perpetual Bonds	10,00,000	1,000	1,000.00	-	-	-
7.11% National Thermal Power Corporation Limited 05.10.2025 Bonds	1,000	12,491	12.18	-	-	-
10.75% Tata Bluescope Steel Limited 27.9.2019 NCD	10,00,000	2	1.87	10,00,000	2	2.01
11.60% ECL Finance Limited 28.01.2017 NCD	-	-	-	1,000	52	0.05
11.60% ECL Finance Limited Cumulative 28.01.2017 NCD	-	-	-	1,000	18,767	18.66
11.85% ECL Finance Limited 28.01.2019 NCD	-	-	-	1,000	6,725	6.99
11.85% ECL Finance Limited Cumulative 28.01.2019 NCD	-	-	-	1,000	3,136	3.21
12.00% ECL FINANCE LIMITED 26.04.2020 NCD - MTH	1,000	3,000	3.20	1,000	54,238	58.06
10.00% ECL Finance Limited 11.03.2018 NCD	-	-	-	1,000	150	0.15
10.45% ECL Finance Limited 11.03.2018 NCD Cumulative	-	-	-	1,000	1,818	1.80
10.15% ECL Finance Limited 11.03.2020 NCD Monthly	-	-	-	1,000	12,436	12.40
10.60% ECL Finance Limited 11.03.2020 NCD	-	-	-	1,000	11,701	11.78
10.60% ECL Finance Limited 11.03.2020 NCD Cumulative	-	-	-	1,000	7,436	7.33
10.45% ECL Finance Limited 11.03.2018 NCD	-	-	-	1,000	1,976	1.98
0.00% Edelweiss Financial Services Limited 12.09.2017 NCD	-	-	-	10,00,000	25	29.76
0.00% Edelweiss Financial Services Limited 10.04.2018 NCD	-	-	-	10,00,000	20	21.55
12.25% Sprit Textiles Private Limited 21.09.2018 NCD	-	-	-	1,00,00,000	18	180.00
8.46% Rural Electrification Corporation Limited 24.09.2018 Bonds	1,000	25,000	27.27	-	-	-
8.46% National Housing Bank 30.08.2028 Bonds	10,00,000	50	54.54	-	-	-
9.50% Yes bank Limited Perpetual Bonds	10,00,000	26	24.12	-	-	-
5.00% New Media Broadcasting Private Limited 18.02.2021 NCD	10,00,000	420	420.00	10,00,000	1,160	1,160.00
7.39% National Highways Authority of India 09.03.2031 NCD	1,000	23,128	23.55	1,000	496	0.50
7.35% National Bank for Agriculture and Rural Development 23.03.2031 Bonds	1,000	15,030	15.25	1,000	45,177	45.56
7.64% National Bank for Agriculture and Rural Development 23.03.2031 Bonds	-	-	-	1,000	10,200	10.15
7.35% National Highway Authority of India 11.01.2031 Bonds	-	-	-	1,000	1,170	1.18
8.26% India Infrastructure Finance Company Limited 23.08.2028 NCD	10,00,000	36	38.62	-	-	-
7.21% India Infrastructure Finance Company Limited 21.11.2022 NCD	10,00,000	50	48.54	-	-	-
8.48 % India Infrastructure Finance Company Limited 05.09.2028 Bonds	10,00,000	64	70.13	-	-	-
6.00% Zee Entertainment Enterprises Limited 05.03.2022 Preference Shares	-	-	-	1	1,18,739	0.11
9.30% Dewan Housing Finance Corporation Limited 16.08.2026 Bonds	1,000	74,541	70.59	-	-	-
15% Pantaloon Industries Limited 31.03.2017 NCD	1,00,00,000	15	150.00	-	-	-
12.00% Dom Bell Electronics India Private Limited 28.03.2019 NCD	10,00,000	497	492.92	-	-	-
5.00% ELFL Life style Brands Limited 30.03.2022 NCD	10,00,000	652	627.08	-	-	-
2% Edelweiss Asset Reconstruction Co.Ltd NCD	10,00,000	2,381	2,381.00	-	-	-
9.00% Muthoot Finance Limited 30.01.2020 Bonds	1,000	5,530	5.52	-	-	-
			6,960.12	-	-	1,623.23
Debentures and Commercial papers (CP) (unquoted)						
Menara Developers & Infrastructure Private Limited CCD	1,00,00,000	25	250.00	1,00,00,000	25	250.00
12.45% Future Corporate Resources Limited 18.03.2018 NCD	1,00,00,000	250	2,500.00	-	-	-
15% Future Corporate Resources Limited 31.03.2017 NCD	1,00,00,000	40	400.00	-	-	-
ECL Finance Ltd 28.04.17 CP	5,00,000	100	49.75	-	-	-
ECL Finance 23.06.2017 CP	5,00,000	500	246.09	-	-	-
ECL Finance 29.05.2017 CP	5,00,000	7,000	3,462.93	-	-	-
0.00% PTC Innovation Trust	10,00,183	100	93.03	-	-	-
Edelweiss Financial Services Limited 03.05.2016 CP	-	-	-	5,00,000	700	347.34
19.00% Modella Textiles Industries Limited 29.11.2017 NCD	-	-	-	10,00,000	1,760	1,760.00
9.00% Gonibedu Coffee Estate Private Limited 14.05.2017 NCD	1,00,00,000	9	90.00	-	-	-
12.75% Mahan Synthetic Textiles Private Limited 18.12.2016 NCD	82,28,726	80	658.30	-	-	-
13.00% PARSVNATH DEVELOPERS LIMITED 15.04.2019 NCD	5,00,000	5,500	2,750.00	-	-	-
14.5% GVK Energy Limited 31.07.2018 NCD	1,00,00,000	45	450.00	-	-	-
14.00% E-Complex Private Limited NCD	1,00,00,000	50	500.00	-	-	-
16.85% Rohan Developers Private Limited 29.02.2020 NCD	10,00,000	1,900	1,900.00	-	-	-
			13,350.10	-	-	2,357.34
Commodities						
Agricultural products						
Bullion			97.78			8,539.96
Other Metals			2,583.29			5,318.39
			0.20			0.20
			2,681.27			13,858.55
			22,991.49			17,839.12



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.17 Trade receivables		
Outstanding for a period exceeding six months		
Unsecured, considered good	-	3.34
Unsecured, considered doubtful	82.26	70.13
	<u>82.26</u>	<u>73.47</u>
Less: provision for doubtful debts	82.26	70.13
	<u>-</u>	<u>3.34</u>
Other debts		
Unsecured, considered good	452.15	374.41
Secured, considered doubtful		
Unsecured, considered doubtful		
	<u>452.15</u>	<u>374.41</u>
Less: Provision for doubtful debts	-	-
	<u>452.15</u>	<u>374.41</u>
	<u>452.15</u>	<u>377.75</u>
2.18 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	0.06	0.06
in fixed deposits with original maturity less than 3 months	21.80	93.30
Balances with banks		
in current accounts	602.02	66.61
	<u>623.88</u>	<u>159.97</u>
Other balances with banks		
Short term deposits with banks:		
To the extent held as margin money or security against borrowings, guarantees (Refer note 2.33)	1,671.71	1,315.99
	<u>2,295.59</u>	<u>1,475.96</u>



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.19 Short-term loans and advances		
Secured, considered good		
Loans given *	-	41.57
Unsecured, considered good		
Loans and advances to related parties (Refer note 2.30)	54,737.96	26,848.63
Other loans and advances		
Loans given *	2,411.32	13,022.78
Deposits placed with exchanges	5.71	6.75
Advances to others	0.09	0.43
Security deposits	28.59	51.18
Prepaid expenses	4.39	7.72
Loans and advances to employees	0.51	2.36
Vendor advances	151.98	887.97
Inter corporate deposits placed with a related party	3,300.00	-
Inter corporate deposits placed with others	11,140.00	100.00
Input tax credit	181.94	346.75
Advance income tax [net of provision for taxation Rs. 426.26 million, (Previous year: Rs. 281.21 million)]	68.80	34.09
Contribution to gratuity fund	2.53	-
Advances recoverable in cash or in kind or for value to be received	-	3.80
	72,033.82	41,354.03

* Loans have been given for general corporate business

2.20 Other current assets

Accrued interest on fixed deposits	0.71	4.31
Accrued interest on inter corporate deposits	36.56	21.64
Accrued interest on debt instruments	1,236.33	51.05
Accrued interest on loans	663.13	246.11
Accrued interest on margin	-	0.04
Receivable from exchange / clearing house (net)	4.33	7.02
Mark to mark on derivatives	-	188.65
Margin placed with broker	29.48	91.23
	1,970.54	610.05



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.21 Fee and commission income		
Advisory, other fees and commodities broking income	5.40	86.33
	5.40	86.33
2.22 Income from treasury operations and investments		
Loss on trading of securities (net)	(111.41)	(54.01)
(Loss)/profit on trading in commodity derivative instruments (net)	(603.13)	940.79
Profit on trading in currency derivative instruments (net)	175.44	42.46
Loss on trading in interest rate derivative (net)	(8.86)	(7.13)
Gain/(loss) due to foreign exchange movement on trade	7.23	(613.53)
Yield on real estate advances	11.20	-
Profit on sale of long term investment	109.24	-
Dividend on stock-in-trade	0.01	69.11
Dividend on long term investment	-	0.18
Loss on benchmark linked debenture	(136.80)	-
Share of loss in partnership firm	(25.43)	(11.55)
	(582.51)	366.32
2.23 Interest income		
Interest income on loan	6,576.27	1,955.52
Interest income on loan to subsidiary companies	1,693.07	1,103.21
Interest income on intercorporate deposits	36.94	11.25
Interest income on fixed deposits	234.19	1,594.55
Interest income on debt instrument	905.96	1,683.02
Interest income on margin with brokers	0.83	0.96
Interest income on delayed payments	89.01	1,199.29
	9,536.27	7,547.80
2.24 Other operating revenue		
Rental income (Refer note 2.42)	393.96	417.26
	393.96	417.26
2.25 Other income		
Miscellaneous income	50.36	26.05
	50.36	26.05



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.26 Employee benefit expenses		
Salaries and wages (refer notes 2.40 and 2.42)	343.96	327.52
Contribution to provident and other funds (refer note 2.40)	8.55	13.45
Staff welfare expenses	13.99	22.23
	366.50	363.20
2.27 Finance costs		
Interest on debentures	1,290.07	831.47
Interest on inter-corporate deposits	55.22	57.97
Interest on term loan	280.93	343.44
Interest on bank overdraft	176.56	275.48
Interest on loan from holding company	558.69	1,192.24
Interest on loan from fellow subsidiaries	635.58	143.47
Interest on loan from others	454.66	848.49
Interest - others	27.09	21.10
Interest on margin	1.68	6.83
Discount on commercial paper	5,400.51	2,938.63
Financial and bank charges	156.83	112.80
Interest on buyer's credit	2.67	36.13
Interest on shortfall in payment of advance income tax	-	(0.21)
	9,040.49	6,807.84



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.28 Other expenses		
Advertisement and business promotion	0.41	6.82
Auditor's remuneration (refer note below)	4.78	2.31
Commission and brokerage	0.38	-
Communication expenses	7.27	9.63
Commodity transaction tax	4.90	15.79
Computer expenses	33.78	19.46
Clearing and custodian charges	(16.78)	-
Contribution towards corporate social responsibilities	0.50	0.39
Dematerialisation charges	1.06	-
Diminution in value of non-current investments	4.36	28.51
Directors' sitting fees	0.42	0.46
Electricity charges (net) (refer note 2.42)	23.72	34.91
Insurance	0.22	-
Legal and professional fees	44.99	72.20
Loss on sale of fixed assets (net)	1.21	0.39
Membership and subscription	1.09	1.33
Office expenses	118.51	79.56
Postage and courier	6.19	4.24
Printing and stationery	2.71	2.82
Provision for doubtful debts	12.13	8.84
Rates and taxes	(4.56)	34.37
Rating support fees	103.30	89.40
Rent (Refer note 2.39)	35.35	53.48
Repairs and maintenance - others	18.48	23.02
ROC expenses	0.02	-
Service tax expenses	47.80	83.43
Stamp duty	1.78	5.29
Stock exchange expenses	4.97	29.01
Transportation charges	16.53	49.40
Travelling and conveyance	11.13	18.63
Warehousing charges [net of recoveries Rs. 221.52 million (Previous year Rs. 407.47 million)]	97.94	321.72
Miscellaneous expenses	2.18	2.56
	586.77	997.97
Auditor's remuneration:		
For statutory audit and Limited review	4.49	2.22
Reimbursement of expenses	0.29	0.09
	4.78	2.31



Edelweiss Commodities Services Limited

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

2.29 Segment reporting

Primary Segment (Business segment)

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations and physical commodity trading
Treasury management	Interest income and investment activity

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Secondary Segment

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Accounting Standard-17 on Segment Reporting:

Particulars	As at/ For the year ended 31 March 2017	As at/ For the year ended 31 March 2016
I Segment Revenue		
a) Capital based business	33,992.91	1,71,975.32
b) Treasury	9,212.24	-
c) Unallocated	-	-
Total Income	43,205.15	1,71,975.32
II Segment Results		
a) Capital based business	563.10	949.26
b) Treasury	244.86	-
c) Unallocated	(0.22)	-
Total	807.74	949.26
Profit before taxation	807.74	949.26
Less : Provision for taxation	236.25	299.04
Profit after taxation	571.49	650.22
III Segment Assets		
a) Capital based business	9,057.06	75,406.73
b) Treasury	1,05,174.76	-
c) Unallocated	684.49	-
Total	1,14,916.31	75,406.73
IV Segment Liabilities		
a) Capital based business	6,473.45	69,602.30
b) Treasury	1,02,638.55	-
c) Unallocated	47.32	-
Total	1,09,159.31	69,602.30
V Capital expenditure (Including intangibles under development)		
a) Capital based business	84.05	95.13
b) Treasury	9.45	-
c) Unallocated	-	-
Total	93.50	95.13
VI Depreciation and amortisation		
a) Capital based business	235.42	358.36
b) Treasury	45.82	-
c) Unallocated	-	-
Total	281.23	358.36
VII Significant non-cash expenses other than depreciation and amortisation		
a) Capital based business	24.38	-
b) Treasury	23.02	-
c) Unallocated	-	-
Total	47.40	-



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.30 Disclosure as required by Accounting Standard 18 – “Related Party Transactions” 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
B.	Subsidiaries which are controlled by the Company
	Edelweiss Agri Value Chain Limited
	Edelweiss Capital Markets Limited
	Edelweiss Housing Finance Limited
	Edelweiss Metals Limited (till 29th June 2016)
	Edel Commodities Limited
	Edel Commodities Trading Limited (till 17th November 2016)
	EFSL Comrade Limited
	EFSL Trading Limited (formerly EFSL Commodities Limited)
	Edelweiss Commodities Pte Limited
	Edelweiss Commodities Nigeria Limited (till 17 November 2016)
	Edelweiss Commodities (CHAD) SARL (till 17 November 2016)
	Edelweiss Tarim Urunleri Anonim Sirketi
	Eternity Business Centre Limited (till 9 th March 2017)
	Serenity Business Park Limited (till 9 th March 2017)
C.	Fellow Subsidiaries with whom the Company has transactions
	EC Commodity Limited
	Edelweiss Securities Limited
	Edelweiss Finance & Investments Limited
	ECL Finance Limited



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.30 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 (continued):

C.	Fellow Subsidiaries with whom the Company has transactions (continued)
	Edelweiss Business Services Limited (formerly Edelweiss Web Services Limited)
	Edelweiss Custodial Services Limited
	Edelweiss Trustee Services Limited
	Edelweiss Asset Management Limited
	Edelcap Securities Limited
	ECap Equities Limited
	Edelweiss Broking Limited
	Edelweiss Investment Adviser Limited
	Edel Land Limited
	Edelweiss Global Wealth Management Limited
	Edelweiss Comtrade Limited
	Edel Finance Company Limited
	Edelweiss Insurance Brokers Limited
	Edelweiss Tokio Life Insurance Company Limited
	Edelweiss Alternative Asset Advisors Limited
	Edel Investments Limited
	Aster Commodities DMCC
	Edelweiss Multi Strategy Management Limited (formerly Forefront Capital Management Private Limited)
	Edelgive Foundation
	Edelweiss Finvest Private Limited (formerly Arum Investments Private Limited)
	Auris Corporate Centre Limited
	Burlington Business Solutions Limited
	Edelweiss Retail Finance Limited
	Olive Business Centre Limited
	Eternity Business Centre Limited (w.e.f. 10 th March 2017)
	Serenity Business Park Limited (w.e.f. 10 th March 2017)
	Edelweiss Asset Reconstruction Company Limited (w.e.f. 16 th September 2016)
	Edelweiss General Insurance Company Limited
	EW Clover Scheme.
	Edelweiss Trusteeship Company Limited



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.30 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 (continued):

D.	Associate company with whom the Company has transactions
	Allium Finance Private Limited
E.	Enterprises in which fellow subsidiary companies exercise significant influence with whom transactions have taken place:
	Edelweiss Multi Strategy Fund Advisors LLP (formerly known as Forefront Alternative Investment Advisors LLP)
	Edelweiss Wealth Advisors LLP (formerly known as Forefront Wealth Advisors LLP)
	Edelweiss Private Equity Tech Fund
F.	Key Management Personnel with whom transactions have taken place
	Mr. Rujan Panjwani (Executive Director)



Edelweiss Commodities Services Limited

Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(G) Transactions and balances with related parties:

Particulars	Name of related parties	2016-2017	2015-2016
Capital account transactions during the year			
Interim dividend paid/proposed	Edelweiss Financial Services Limited	452.59	104.21
	Others - Subsidiary Company	1.40	1.40
Dividend received	Edelweiss Securities Limited	-	0.18
Current account transactions during the year			
Inter-corporate deposits taken from	Edelweiss Asset Management Limited	-	455.00
Inter-corporate deposits repaid to	Edelweiss Asset Management Limited	42.00	450.00
Inter-corporate deposits placed	Edelweiss Asset Reconstruction Company Limited	3,300.00	-
	EW Clover Scheme1	1,570.00	-
Inter corporate deposits repaid	EW Clover Scheme1	1,570.00	-
Short term loans taken from (Refer note 1 and 2)	Edelweiss Financial Services Limited	39,093.19	21,855.09
	ECap Equities Limited	6,000.50	-
	ECL Finance Limited	4,530.32	2,950.00
	Others - Subsidiary Company	6,154.37	-
	Others - Fellow subsidiary Company	4,094.37	263.95
Short term loans repaid to (Refer note 1 and 2)	Edelweiss Financial Services Limited	39,393.77	34,348.51
	Others - Subsidiary Company	4,238.85	1.60
	Others - Fellow subsidiary Company	8,439.24	4,078.27
Long term loans repaid to	ECL Finance Limited	-	1,500.00
	Edelweiss Finance & Investments Limited	-	400.00
	Edelweiss Financial Services Limited	-	700.00
	Edelweiss Insurance Brokers Limited	0.50	-
Short term loans given to (Refer note 1 and 2)	ECap Equities Limited	61,817.23	18,258.19
	ECL Finance Limited	64,169.55	17,338.01
	Edelweiss Financial Services Limited	10,397.01	8,885.16
	Edel Commodities Limited	9,706.95	908.35
	Others - Subsidiary Company	40,346.12	26,149.89
	Others - Fellow subsidiary Company	1,10,660.93	30,576.32
	Fellow - Others	19.33	-
Short term loans repaid by (Refer note 1 and 2)	ECap Equities Limited	68,741.40	12,119.50
	ECL Finance Limited	50,836.28	16,590.56
	Edelweiss Financial Services Limited	3,246.69	8,885.16
	Edelcap Securities Limited	12,336.80	5,939.27
	Others - Subsidiary Company	47,007.21	21,416.16
	Others - Fellow subsidiary Company	83,176.31	20,174.69
	Fellow - Others	4.30	-
Security deposit given to	Eternity Business Centre Limited	0.40	0.30
	Serenity Business Park Limited	0.40	0.30
	EFSL Comtrade Limited	0.40	-
	Edelweiss Housing Finance Limited	0.50	0.10
	Edelweiss Financial Services Limited	0.10	0.30
	Edelweiss Agri Value Chain Limited	-	0.90
	Others - Subsidiary Company	0.40	-



Edelweiss Commodities Services Limited

Note to financials statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(G) Transactions and balances with related parties:

Particulars	Name of related parties	2016-2017	2015-2016
Sale/redemption of debentures to	Edelweiss Finance & Investments Limited	4,807.89	7,285.59
	ECL Finance Limited	10,741.46	9,716.41
	ECap Equities Limited	7,964.99	-
	Others - Fellow subsidiary Company	3,554.89	2,127.14
Purchase/subscription of commercial paper from	ECL Finance Limited	31,818.98	23,852.99
	Edelweiss Securities Limited	40,269.35	39,750.35
	ECap Equities Limited	37,640.46	-
	Edelweiss Financial Services Limited	1,986.94	1,01,865.81
	Others - Fellow subsidiary Company	-	7,400.34
Sale/redemption of certificate of deposit to	ECL Finance Limited	-	738.13
Purchase / Subscription of certificate of deposit from	ECap Equities Limited	247.53	-
Sale/redemption of commercial paper to	ECap Equities Limited	92,383.18	6,209.32
	ECL Finance Limited	9,777.26	8,506.97
	Edelweiss Financial Services Limited	10,823.88	22,500.00
	Edelweiss Securities Limited	2,270.00	5,350.00
	Others - Subsidiary Company	4,519.07	1,500.00
Sale/redemption of preference shares to	Edelweiss Finance & Investments Limited	-	36.12
Purchase / Subscription of pref.Shares from	Edelweiss Finance & Investments Limited	2.51	-
	ECL Finance Limited	2,400.00	-
Reimbursements paid to	Edelweiss Financial Services Limited	268.19	523.61
	ECL Finance Limited	203.35	-
	Others - Associate Company	6.23	-
	Others - Subsidiary Company	64.44	-
	Others - Fellow subsidiary Company	251.33	-
	Fellow - Others	-	-
Reimbursement recovered from	Edelweiss Financial Services Limited	268.20	-
	ECL Finance Limited	203.35	-
	Edelweiss Tokio Life Insurance Company Limited	-	0.20
	Edelweiss Comtrade Limited	-	0.02
	Others - Associate Company	6.23	-
	Others - Subsidiary Company	64.44	0.01
	Others - Fellow subsidiary Company	251.33	-
	Fellow - Others	-	-
Remuneration paid to	Rujan Panjwani	39.50	60.74
Income			
Interest income on debentures from	ECL Finance Limited	47.48	-
	Edelweiss Housing Finance Limited	7.45	-
	Edelweiss Asset Reconstruction Company Limited	8.12	-
	Others - Subsidiary Company	0.81	-
	Edelweiss Financial Services Limited	1.60	-
Interest income on Commercial paper from	ECL Finance Limited	53.84	-
	Edelweiss Financial Services Limited	26.75	-
	Edelweiss Securities Limited	61.53	-
	Others - Subsidiary Company	3.45	-
	Others - Fellow subsidiary Company	2.78	-
Interest income on loan from	ECap Equities Limited	1,354.17	280.21
	Edelweiss Investment Adviser Limited	683.64	-
	Edelweiss Financial Services Limited	442.18	21.29
	Edel Commodities Limited	545.04	510.18
	ECL Finance Limited	537.47	295.93
	Others - Subsidiary Company	832.73	593.94
	Others - Fellow subsidiary Company	2,308.72	370.27
	Fellow - Others	3.46	-
Interest income on intercorporate deposits	Edelweiss Asset Reconstruction Company Limited	13.11	-
	EW Clover Scheme I	2.84	-
Interest income on margin placed with	Edelweiss Securities Limited	0.80	0.96
	Edelweiss Custodial Services Limited	0.00	-



Edelweiss Commodities Services Limited

Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(G) Transactions and balances with related parties:

Particulars	Name of related parties	2016-2017	2015-2016
Security deposit received from	Eternity Business Centre Limited	0.40	0.30
	Serenity Business Park Limited	0.40	0.30
	Edelweiss Agri Value Chain Limited	0.40	0.50
	Edelweiss Housing Finance Limited	0.60	0.10
	EFSL Comtrade Limited	0.40	-
	Edel Commodities Limited	0.20	0.20
	Edelweiss Capital Markets Limited	-	0.20
	Edelweiss Financial Services Limited	-	0.30
Rental deposits received	Edelweiss Asset Reconstruction Company Limited	50.00	-
Investments			
Investments in equity shares of	Edelweiss Asset Reconstruction Company Limited	446.43	-
	Edelweiss Capital Markets Limited	-	60.00
Investments in equity shares sold to	Ecap Equities Limited	422.23	-
Investments in preference shares purchase from	Edelweiss Broking Limited	600.00	-
	Ecap Equities Limited	1,800.00	-
Investment in others	Edelweiss Private Equity Tech Fund	43.74	-
Secondary market transactions (acting as broker)			
Margin placed with (Refer note 1 and 2)	Edelweiss Securities Limited	168.31	1,036.00
	Edelweiss Custodial Services Limited	25.39	-
Margin withdrawn from (Refer note 1 and 2)	Edelweiss Securities Limited	248.88	519.32
	Edelweiss Custodial Services Limited	0.48	-
Margin received from (Refer note 1 and 2)	EC Commodity Limited	-	498.58
	Edelweiss Metals Limited	149.83	-
	EFSL Comtrade Limited	0.50	-
	Others - Subsidiary Company	-	72.33
Margin repaid to (Refer note 1 and 2)	EC Commodity Limited	140.43	955.29
	Edelweiss Metals Limited	150.03	-
	Others - Subsidiary Company	0.50	72.14
Purchase of commodities from	Aster Commodities DMCC	416.22	3,967.77
	Edelcap Securities Limited	44.08	4,120.59
	Edelweiss Global Wealth Management Limited	-	4,816.55
	Others - Subsidiary Company	-	1,374.34
	Others - Fellow subsidiary Company	-	2.09
Sale of commodities to	Edelweiss Metals Limited	4,388.38	-
	Ecap Equities Limited	-	3,916.68
	Edelweiss Web Services Limited	-	5,419.91
	EC Commodity Limited	-	4,578.35
	Edelcap Securities Limited	-	4,607.47
	Others - Subsidiary Company	-	291.97
Purchase/subscription of debentures from	ECL Finance Limited	6,006.92	6,669.28
	Ecap Equities Limited	6,363.37	-
	Edelweiss Asset Reconstruction Company Limited	5,681.00	-
	Edelweiss Finance & Investments Limited	4,377.12	1,268.20
	Edelweiss Finvest Private Limited	-	1,119.27
	Others - Fellow subsidiary Company	1,330.39	356.23



Edelweiss Commodities Services Limited

Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(G) Transactions and balances with related parties:

Particulars	Name of related parties	2016-2017	2015-2016
Rental income from	Edelweiss Securities Limited	54.38	88.03
	ECL Finance Limited	56.22	-
	Edelweiss Financial Services Limited	68.74	22.73
	Edelweiss Tokio Life Insurance Company Limited	2.00	81.27
	Others - Subsidiary Company	21.73	29.53
	Others - Fellow subsidiary Company	89.21	100.70
	Others - Associate Company	0.25	0.52
Brokerage received from	Edel Commodities Limited *	-	0.01
	Edelweiss Metals Limited *	-	0.01
Cost reimbursements recovered from	ECL Finance Limited	9.31	6.32
	Edelweiss Securities Limited	8.45	16.72
	Edelweiss Financial Services Limited	10.79	2.46
	Edelweiss Broking Limited	-	6.93
	Others - Subsidiary Company	3.89	4.71
	Others - Associate Company	0.05	0.08
	Others - Fellow subsidiary Company	18.22	9.17
Trade cancellation charges recovered from	Edel Commodities Trading Limited	-	0.31
Expenses			
Clearing expenses to	Edelweiss Securities Limited	0.20	0.20
Contribution towards corporate social responsibilities	Edelgive Foundation	0.50	0.39
Cost reimbursement to	Eternity Business Centre Limited	5.24	-
	Edelweiss Financial Services Limited	1.60	25.66
	Edelweiss Agri Value Chain Limited	8.04	6.13
	Edelweiss Securities Limited	1.62	9.45
	Others - Subsidiary Company	-	4.70
	Others - Fellow subsidiary Company	1.06	5.53
Interest expense on inter-corporate deposits from	Edelweiss Asset Management Limited	2.40	51.43
Interest expenses on loans from	Edelweiss Financial Services Limited	558.69	1,192.24
	Edelweiss Agri Value Chain Limited	389.90	-
	Others - Subsidiary Company	1.70	0.08
	Others - Fellow subsidiary Company	265.69	183.49
Interest expenses on margin placed by	EC Commodity Limited	0.27	6.49
	Others - Subsidiary Company	0.01	0.29
Interest expenses on security deposits from	Edelweiss Tokio Life Insurance Company Limited	-	14.10
Rating fees to	Edelweiss Financial Services Limited	103.30	89.40
Interest expense on debentures to	ECL Finance Limited	-	8.16
Warehouse expenses to	Edelweiss Agri Value Chain Limited	279.99	278.52
	Others - Fellow subsidiary Company	17.34	179.76
Demurrage charges paid to	Aster Commodities DMCC	13.56	-
Insurance claim received from	Edelweiss Agri Value Chain Limited	49.20	-



Edelweiss Commodities Services Limited

Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(G) Transactions and balances with related parties:

Particulars	Name of related parties	2016-2017	2015-2016
Balances with related parties as on 31 March 2017 - (Assets)			
Accrued interest income on loans given to	Edelweiss Investment Adviser Limited	132.60	-
	Edelweiss Securities Limited	69.54	-
	ECap Equities Limited	139.47	73.17
	ECL Finance Limited	0.03	22.44
	Edelweiss Financial Services Limited	39.54	19.16
	Edel Commodities Limited	47.63	24.92
	Others - Subsidiary Company	45.98	46.74
	Others - Fellow subsidiary Company	79.09	35.80
	Fellow - Others	0.42	-
Accrued interest income on margin placed with	Edelweiss Securities Limited	-	0.04
Interest receivable on debentures from	ECL Finance Limited	-	11.47
	Edelweiss Tokio Life Insurance Company Limited	0.25	-
	Others - Fellow subsidiary Company	0.16	-
Inter-corporate deposits placed with	Edelweiss Asset Reconstruction Company Limited	3,300.00	-
Advance recoverable in cash or in kind	Edel Commodities Trading Limited	-	0.59
	Edelweiss Securities Limited	-	0.92
	EFSL Commodities Limited	-	0.62
	Edelweiss Financial Services Limited	-	0.10
	Others - Subsidiary Company	-	0.11
	Others - Fellow subsidiary Company	-	0.82
Investments in debentures of	ECL Finance Limited	500.00	500.00
Investment in Partnership Firm	Edelweiss Wealth Advisors LLP	10.11	-
Investments in equity shares in	ECL Finance Limited	862.84	862.84
	Edelweiss Housing Finance Limited	2,829.00	2,829.00
	Edelweiss Agri Value Chain Limited	1,000.50	1,000.50
	Edelweiss Asset Reconstruction Company Limited	446.43	-
	Others - Subsidiary Company	75.20	708.92
	Others - Associate Company	21.18	21.18
Investments in preference shares in	Edelweiss Broking Limited	1,267.00	667.00
	ECap Equities Limited	1,800.00	-
	Edel Land Limited	125.11	125.11
	Edelweiss Securities Limited	260.00	260.00
	Edelweiss Investment Advisors Limited	205.00	205.00
	Edelweiss Finvest Private Limited	188.37	188.37
Investment in others	Edelweiss Private Equity Tech Fund	43.74	-
Margin on trading of securities (net)			
Margin receivable from	Edelweiss Securities Limited	4.57	91.23
	Edelweiss Custodial Services Limited	24.91	-
Security deposits receivables from	Edelweiss Housing Finance Limited	-	0.20
	Edelweiss Metals Limited	-	0.10
	Edelweiss Agri Value Chain Limited	-	0.40
Trade receivables from	Edel Land Limited	3.36	3.36
	Edelweiss Agri Value Chain Limited	0.85	-
	Edelweiss Global Wealth Management Limited	0.86	0.86
	Edelweiss Tokio Life Insurance Company Limited	2.30	-
	Edelweiss Financial Services Limited	0.43	-
	Edelweiss Securities Limited	-	0.64
	Others - Subsidiary Company	0.21	-
	Others - Fellow subsidiary Company	0.01	0.34



Edelweiss Commodities Services Limited

Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(G) Transactions and balances with related parties:

Particulars	Name of related parties	2016-2017	2015-2016
Short term loans and advances given to	ECL Finance Limited	14,126.93	-
	Edelweiss Financial Services Limited	7,150.33	-
	Edelweiss Securities Limited	6,521.32	-
	Edel Commodities Limited	6,201.24	4,704.81
	Edelweiss Investment Adviser Limited	4,091.29	3,952.99
	ECap Equities Limited	-	6,927.36
	Edel Commodities Trading Limited	-	3,240.83
	Edelweiss Agri Value Chain Limited	-	2,908.49
	Others - Subsidiary Company	4,652.08	2,410.21
	Others - Fellow subsidiary Company	11,938.58	2,703.93
	Fellow - Others	56.20	-
Long term loans given to	Edelweiss Metals Limited	-	552.93
Stock in trade in debentures of	ECL Finance Limited	3.20	122.41
	Edelweiss Financial Services Limited	-	51.31
	Edelweiss Asset Reconstruction Company Limited	2,381.00	-
Stock in trade in commercial papers of	Edelweiss Financial Services Limited	-	347.35
	ECL Finance Limited	3,758.77	-
Balances with related parties as on 31 March 2017 - (Liabilities)			
Dividend payable to	ECL Finance Limited	0.70	0.70
	Edelweiss Securities Limited	0.70	0.70
	Edelweiss Financial Services Limited	199.49	-
Inter-corporate deposits taken from	Edelweiss Asset Management Limited	-	42.00
Accrued interest expense on loans taken from	Edelweiss Agri Value Chain Limited	74.72	-
	Edelweiss Financial Services Limited	23.09	13.55
	Others - Subsidiary Company	0.08	0.08
	Others - Fellow subsidiary Company	7.62	1.36
Payable towards exchange trades settlement	EC Commodity Limited	-	140.43
	Edelweiss Comtrade Limited	-	350.18
Other payable to	Edelweiss Agri Value Chain Limited	-	0.18
	Edelweiss Insurance Brokers Limited	-	0.25
	Others - Fellow subsidiary Company *	-	-
Commercial papers subscribed by	ECap Equities Limited	5,000.00	-
Security deposits payable to	Edelweiss Financial Services Limited	-	0.10
	Edelweiss Housing Finance Limited	-	0.10
Rental deposits payable to	Edelweiss Asset Reconstruction Company Limited	50.00	-
Trade payables to	EC Commodity Limited	1.24	-
	Edelweiss Multi Strategy Fund Advisors LLP	1.23	-
	Edelweiss Web Services Limited	0.49	-
	ECL Finance Limited	0.48	-
	EFSL Trading Limited	0.24	-
	Aster Commodities DMCC	-	358.77
	Edelweiss Financial Services Limited	-	114.44
	Edelweiss Agri Value Chain Limited	-	252.22
	Others - Subsidiary Company	-	49.14
	Others - Fellow subsidiary Company	0.03	5.56



Edelweiss Commodities Services Limited

Note to financial statements (Continued)

(Currency : Rupees in millions)

2.30 Related Parties (Continued)

(G) Transactions and balances with related parties:

Particulars	Name of related parties	2016-2017	2015-2016
Short term loans taken from	ECap Equities Limited	5,918.40	-
(Refer note 1)	Edelweiss Agri Value Chain Limited	1,915.53	-
	Edelweiss Financial Services Limited	-	300.58
	Edelweiss Insurance Brokers Limited	111.06	87.85
	Edelweiss Multi Strategy Funds Management Private Limited	-	136.94
	Others - Fellow subsidiary Company	415.28	37.20
Long term loan taken from	Edelweiss Insurance Brokers Limited	-	0.50
Accrued salaries and benefits	Rujan Panjwani	32.50	52.50
Off balance sheet item			
Corporate guarantee given for	Edelweiss Housing Finance Limited	3,850.00	4,350.00
	Edelweiss Metals Limited	-	300.00
Corporate guarantee given by	Edelweiss Financial Services Limited	20,937.50	6,600.00

* amount is less than Rs. 0.01 million

Note:

- (1) Previous year's figures have been recast/restated where necessary.
- (2) 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.
- (3) Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis.
- (4) Loan given to subsidiaries and fellow subsidiaries are for the general corporate business.
- (5) Remuneration to KMP's shall be within the limit as prescribed by the Companies act.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.31 Investments in partnership firms:

Name of Partnership Firm	Edelvalue Partners*	
	As at 31 March 2017	As at 31 March 2016
Total capital of partnership firm	Rs. 68.03 million	Rs. (25.82) million
Name of partners	Share in capital and share in profit/loss	
Magnolia Commodities Services Private Limited	41%	41%
Dahlia Commodities Services Private Limited	40%	40%
EFSL Comtrade Limited	9%	-
EFSL Trading Limited	10%	-
Edelweiss Commodities Services Limited	-	10%
ECap Equities Limited	-	9%

*ECSL has sold/taken out their stake in Edelvalue Partners on 1st December 2016)

Name of Partnership Firm	Edelweiss Wealth Advisors LLP	
	As at 31 March 2017	As at 31 March 2016
Total Capital of Partnership firm	Rs. 29.74 million	Rs. (16.17) million
Name of partners	Share in capital and share in profit/loss	
Edelweiss Commodities Services Limited	34%	34%
Edelweiss Capital Markets Limited	33%	33%
ECap Equities Limited	33%	33%

2.32 Contingent liabilities (to the extent not provided for):

(a)	Taxation matters in respect of which appeal is pending Rs. 181.24 million (Previous year: Rs. 161.87 million). The Company has paid Rs. 19.83 million (Previous year: Rs. 46.50 million) under protest against these cases.
(b)	Corporate guarantee given by the company to bank for Rs. 3,850.00 million (Previous year: Rs. 4,650.00 million) for availing Fund based Banking facilities by its subsidiary company Edelweiss Housing Finance Limited and Edelweiss Agri Value Chain Limited.

The Company's pending litigations comprise of proceedings pending with Income Tax, customs, sales tax/VAT and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.33 Encumbrances' on fixed deposits held by the Company:

i)	Fixed deposits aggregating to Rs. 280 million (Previous year: Rs. 2,133.75 million) have been pledged with exchanges for meeting margin requirements.
ii)	Fixed deposits aggregating to Rs. 1,394.81 million (Previous year: Rs. 344.30 million) have been pledged with banks for securing bank overdrafts and buyer's credit.
iii)	Fixed deposits aggregating to Rs. Nil (Previous year: Rs. 87.50 million) have been pledged with bank for meeting margin requirements for buying bullion.
iv)	Fixed deposits aggregating to Rs. 0.24 million (Previous year: Rs. 0.36 million) have been pledged with sales tax authorities for meeting deposit requirements.
v)	Fixed deposits aggregating to Rs. 5 million (Previous year: Rs. 250.00 million) have been pledged with bank for obtaining the bank guarantee provided to The Multi Commodity Exchange of India Limited for meeting margin requirements.
vi)	Fixed deposits aggregating to Rs. 8.84 million (Previous year: Rs. 10.20 million) have been pledged with banks for obtaining the bank guarantee provided to VAT authorities for meeting statutory requirements.
vii)	Fixed deposits aggregating to Rs. 9.87 million (Previous year: Rs. 78.77 million) have been pledged with bank for obtaining the bank guarantee provided to Customs authorities for meeting statutory requirements.
viii)	Fixed deposits aggregating to Rs. 6.13 million (Previous year: Rs. 6.13 million) have been pledged with bank for obtaining the bank guarantee provided to Reliance Infra Limited.
ix)	Fixed deposits aggregating to Rs. 0.90 million (Previous year: Rs. 3.40 million) have been pledged with bank for obtaining the bank guarantee provided to various mandis for margin and license requirements.
x)	Fixed deposits aggregating to Rs. Nil (Previous year: Rs. 55.80 million) have been pledge with bank for securing letter of credits.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.34 Derivative transactions

The Company uses forward exchange contracts and futures and options to hedge its exposure in foreign currency. The information on open derivative instrument is as follows.

S. No	Particulars	No. of contracts
a)	Open interest in commodity futures as at 31 March 2017	Nil

b) Open interest in commodity futures as at 31 March 2016

Sr. No.	Name of commodity future	Expiry Month	No. of contracts	Number of units involved*
1	Long Position (*In Kgs)	April 2016	4,616	8,055,570
		May 2016	4,762	476,200
		June 2016	24	24,000
2	Short Position (*In Kgs)	April 2016	6,190	8,752,582
		May 2016	1,733	51,990

Sr. No	Particulars	No. of contracts
c)	Open interest in currency derivatives as at 31 March 2017	Nil

d) Open interest in currency derivatives as at 31 March 2016

Sr. No.	Counter party	Purpose	Notional principal (USD)
1	Axis bank	Hedging	123 million

e) Open interest in currency futures as at 31 March 2017:

Sr. No.	Name of currency future	Expiry month	No. of contracts	Number of units involved*
1	Short Position – *USDINR	April 2017	500	500,000

f) Open interest in currency futures as at 31 March 2016

Sr. No.	Name of currency future	Expiry month	No. of contracts	Number of units involved*
1	Long Position – *USDINR	April 2016	45,000	45,000,000



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.35 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 2017	For the year ended 31 March 2016
(a)	Profit after tax (as per statement of profit and loss)	571.49	650.22
	Less: dividend on preference share including dividend distribution tax	46.20	46.20
	Net profit for the year attributable to equity shareholders	525.29	604.02
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	29,775,368	29,775,368
	Number of Shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	29,775,368	29,775,368
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	29,775,368	29,775,368
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	17.64	20.29



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.36 Details of stock-in-trade:

Securities:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening stock		
Equity	-	85.68
Debentures and bonds	3,633.12	4,588.13
Certificate of deposits / commercial papers	347.34	3,638.34
Mutual fund	-	-
Other	0.11	-
Subtotal (a)	3,980.57	8,312.15
Purchase		
Equity	-	156.05
Debentures and bonds	297,648.30	93,569.90
Certificate of deposits / commercial papers	293,645.11	511,912.35
Mutual fund	-	550.00
Other	46.75	294.81
Subtotal (b)	591,340.12	606,483.12
Sales		
Equity	-	302.77
Debentures and bonds	284,693.61	94,603.12
Certificate of deposits / commercial papers	290,158.51	515,132.25
Mutual fund	-	425.96
Other	46.98	296.59
Subtotal (c)	574,899.10	610,760.69
Closing stock		
Equity	-	-
Debentures and bonds	16,301.46	3,633.12
Certificate of deposits / commercial papers	4,008.76	347.34
Mutual fund	-	-
Other	-	0.11
Subtotal (d)	20,310.22	3,980.57
Loss on sale of securities (c+d-a-b)	(111.41)	(54.01)



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.36 Details of stock-in-trade (continued)

Commodities:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening Stock		
Agricultural products	8,539.96	19,049.57
Bullion	5,318.39	1,171.00
Other metals	0.20	0.20
Subtotal (a)	13,858.55	20,220.77
Purchase		
Agricultural products	5,295.78	22,557.26
Bullion	15,649.35	133,579.21
Other metals	-	-
Subtotal (b)	20,945.13	156,136.47
Sales		
Agricultural products	14,677.09	34,176.64
Bullion	19,124.58	129,354.92
Other metals	-	-
Subtotal (c)	33,801.67	163,531.56
Closing Stock		
Agricultural products	97.78	8,539.96
Bullion	2,583.28	5,318.39
Other metals	0.20	0.20
Subtotal (d)	2,681.26	13,858.55
Profit on sale of commodities (c+d-a-b)	1,679.25	1,032.87

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



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.37 Earnings and expenditure in foreign currency:

Earning in foreign exchange:

Sr. No	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a)	F.O.B. value of export	-	270.88

Value of import on C.I.F. basis:

Sr. No	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a)	Value of import on C.I.F. Basis		
	- Commodities	2,709.68	14,664.13

Expenditure in foreign currency:

Sr. No	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a)	Foreign travels	0.17	0.79
(b)	Interest on buyer's credit	2.49	35.93
(c)	Directors sitting fees	-	0.12
(d)	Business promotion expenses	0.19	0.01
(e)	Legal & Professional expenses	0.09	-

2.38 Capital commitments (to the extent not provided for):

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 2.15 million (Previous year: Rs.13.24 million).

2.39 Operating leases:

The Company had taken office premises on operating lease agreements. Gross rental expenses for the year ended 31 March 2017 aggregated to Rs.35.35 million (Previous year: Rs. 53.48 million) (Refer note 2.28) which has been included under the head other expenses as 'Rent' in the Statement of Profit and Loss. There are no future minimum lease payments for the non-cancellable operating lease.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.39 Operating leases (continued)

The Company has given certain portion of the building on cancellable and non cancellable operating lease for periods ranging from 12 months to 60 months, the details of which are given below:

Particulars	As at 31 March 2017	As at 31 March 2016
Gross block	2,139.29	2,139.29
Accumulated depreciation	506.75	420.83
Net block	1,632.54	1,718.46
Depreciation for the year	85.92	90.45

Lease payments received and recognized in the statement of profit and loss during the year ended 31 March 2017 is Rs. 393.96 million (Previous year: Rs. 417.26 million).

The future minimum lease payments receivable under non cancellable operating leases are as follows:

Particulars	As at 31 March 2017	As at 31 March 2016
Not later than one year	3.16	17.24
Later than one year and not later than five years	-	3.16
Later than five years	-	-

2.40 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits:

A) Defined contribution plan (Provident fund and national pension scheme):

An amount of Rs. 8.02 million (Previous year: Rs. 7.90 million) is recognised as expense and included in "Employee benefit expenses" – Note 2.26 in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

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

Expenses recognised in the statement of profit and loss:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	2.11	2.49
Interest cost	0.73	0.66
Expected return on plan assets	(0.93)	(0.57)
Net actuarial losses recognized in the year	(1.69)	2.96
Total included in 'Employee Benefit Expenses'	0.22	-



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.40 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued)

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

Particulars	As at 31 March 2017	As at 31 March 2016
Present value of defined benefit obligation (DBO)	11.74	12.96
Fair value of plan assets	14.26	12.70
Net (liability) / assets recognised in the balance sheet	(2.50)	0.26

Reconciliation of Defined benefit obligation:

Particulars	As at 31 March 2017	As at 31 March 2016
Present value of DBO at start of the year	12.96	6.43
Transfer In/(Out)	(3.00)	1.99
Interest cost	0.73	0.66
Current service cost	2.11	2.49
Benefits Paid	(0.19)	(1.42)
Actuarial (gain)/loss on obligations:	(0.87)	2.82
Present value of DBO at the end of the year	11.74	12.97

Reconciliation of fair value of the plan assets:

Particulars	As at 31 March 2017	As at 31 March 2016
Fair value of the plan asset at the start of the year	12.70	7.70
Expected return on plan assets	0.93	0.57
Contributions by employer	-	6.00
Benefits Paid	(0.19)	(1.42)
Actuarial (loss)/gain on Plan Assets	0.82	(0.14)
Fair value of the plan asset at the end of the year	14.26	12.71
Actual return on plan assets	1.756	0.42
Expected employer contribution for the coming period	-	0.50

Percentage Break –down of Total Plan Assets

	2017	2016
Insurer Managed Funds (Unit –linked)	99%	99%
Cash at Bank	1%	1%



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.40 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued)

Experience Adjustment:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Defined benefit obligation	11.74	12.96	6.43	6.38	6.06
Fair value of plan assets	14.26	12.70	7.70	6.43	2.47
Surplus / (deficit)	2.52	(0.26)	1.27	0.05	(3.59)
Experience adjustment on plan liabilities: (gain)/loss	(1.22)	2.57	(1.23)	(0.77)	3.12
Experience adjustment on plan assets: (gain)/loss	0.77	(0.15)	1.04	0.33	(0.10)

Principal actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Discount rate	6.8%	7.4%
Salary escalation	7%	7%
Employee attrition rate	13% to 25%	13% to 25%
Expected return of plan assets	7.4%	7.8%
Mortality rate	IALM 2006-08(Ult)	IALM 2006-08(Ult)

2.41 Details of long term borrowings and current maturity of long term borrowings:

Interest Rate Range	2016-17	2017-18	2018-19	2019-20	2020-21	Total
8-10%	- (365.00)	3,250.00 (3250.00)	175.00 (-)	11,759.09 (-)	8,733.95 (2,000.00)	23,918.04 (5,615.00)
10-11%	- (1,656.25)	1,271.25 (1,271.25)	3,641.25 (3,641.25)	1,625.00 (1625.00)	- (-)	6,537.50 (8,193.75)
11-12%	-	- (-)	- (100.50)	- (-)	- (-)	- (100.50)
Above 12%	- (-)	- (-)	- (25.50)	- (-)	- (-)	- (25.50)

Note: Figures in bracket are in respect of previous year.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.42 Cost sharing and other recoveries:

Cost sharing:

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost (FY 15-16), Group medicaim, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, costs like rent, electricity charges incurred by the Company for the benefit of fellow subsidiaries and associate companies are recovered as reimbursement by the Company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 2.26 and 2.28 include reimbursements paid and are net of the reimbursements received based on the management's best estimate..

Other recoveries:

The income in note 2.24 relates to amount recovered from the holding company, subsidiaries, fellow subsidiaries and other external parties for occupying office premises in the Company's building.

2.43 Disclosure of loans and advances pursuant to regulation 53 of the Securities and Exchange Board of India (SEBI) (Listing obligations and disclosure requirements) Regulations, 2015:

Particulars	31 March 2017		31 March 2016	
	Amount outstanding	Maximum Amount o/s during the year	Amount outstanding	Maximum Amount o/s during the year
Short term loans-Subsidiary				
Edelweiss Capital Markets Limited	324.90	7,901.87	379.88	5,626.56
Edelweiss Housing Finance Limited	155.31	6,863.77	7.99	5,000.00
Edel Commodities Limited	6,201.04	14,411.77	4,704.81	6,821.11
Edel Commodities Trading Limited	-	5,788.22	3,240.83	5,253.89
EFSL Trading Limited (formerly known as EFSL Commodities Limited)	1,022.62	10,935.30	1,048.76	3,987.61
EFSL Comtrade Limited	2,793.58	3,082.55	289.32	4,060.57
Edelweiss Metals Limited	-	5,469.59	270.46	598.75
Serenity Business Park Limited	-	2,889.81	208.50	208.50
Eternity Business Centre Limited	-	3,066.06	205.31	215.04
Edelweiss Agri Value Chain Limited	-	2,908.49	2,908.49	2,908.49
Short term loan-Holding Company				
Edelweiss Financial Services Limited	7,150.33	10,397.01	-	8,885.16
Long term loans				
Edelweiss Metals Limited	-	552.93	552.93	552.93



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

- 2.44** The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The Company has filed an appeal and is defending its position. Due to the lack of clarity on legal position relating to the application of Rule 8D, the outcome and quantification of the eventual tax liability on the Company, if any, at this stage cannot be estimated. The Company has been advised by its tax counsel that it has a good chance in sustaining its position.

2.45 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.19.53 million (FY 15-16 Rs.0.39 million)

- b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total (Rs million)
(i)	Constructions / acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	0.50 (0.39)	- -	0.50 (0.39)

Notes:

1. The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 115,684,300/- (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2017, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2017.

2. Figures in the bracket are in respect of previous year.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.46 Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016 pursuant to Notification No. G.S.R. 308(E) dated 30th March, 2017:

Particulars	Specified bank notes *	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.13	#0.00	0.13
(+) Permitted receipts	-	0.14	0.14
(-) Permitted payments	-	0.08	0.08
(-) Amount deposited in Banks	0.13	-	0.13
Closing cash in hand as on 30.12.2016	-	0.05	0.05
#amount is less than Rs. 0.01 million			

*For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.



Edelweiss Commodities Services Limited

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.47 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

2.48 Details of dues to micro enterprise and small enterprise:

Trade Payables includes Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024

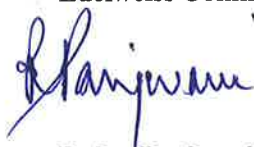


Ashwin Suvarna

Partner

Membership No: 109503

**For and on behalf of the Board of Directors
Edelweiss Commodities Services Limited**



Rujan Panjwani

Executive Director

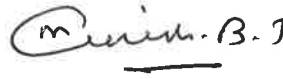
DIN No.: 00237366



Kalpana Maniar

Director

DIN No.: 00719180



Manish Jethwa

Chief Financial Officer



Sangeeta Shetty

Company Secretary

Mumbai

16 May 2017

Mumbai

16 May 2017