

Edelweiss Metals Limited

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

Edelweiss Metals Limited

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

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KHANDELWAL PRAKASH MURARI BHANDARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS REPORT

TO
THE MEMBERS OF
EDELWEISS METALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **EDELWEISS METALS LIMITED** ("the company") which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors Responsibility

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

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



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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the act in the manner so requires and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2015,
- b) In the case of the Statement of Profit & Loss , of the loss of the company for the year ended on that date and
- c) In the case of cash flow statement, of the cash flow of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as director in terms of section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Khandelwal Prakash Murari Bhandari & Co.

Chartered Accountants

(Firm's Registration No. 102454W)



Pawan Kumar Gupta

Partner

Membership No. 051713

Place: Mumbai

Date: 7 May 2015



EDELWEISS METALS LIMITED

Annexure to Independent Auditors Report

(Referred to in paragraph 1 of our report of "Report on Other Legal and Regulatory Requirements" of even date)

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

(i) In respect of its Fixed Assets:

- 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 nature of its assets.

(ii)

- a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable having regard to the nature of business of the Company.
- b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies have been noticed on the physical verification of the stock in trade.

(iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to the purchase of fixed assets and sale of services. In our opinion and according to the information and explanation given to us, there is no continuing failure to correct major weakness in the internal control system.

(v) According to information and explanations given to us, during the year the Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of Cost records for the company under sub section (1) of Section 148 of the Companies Act, 2013.



(vii)(a) According to the information and explanation given to us and records examined by us, the Company is regular in deposit of income tax, Provident fund, service tax, value added tax, custom duty, excise duty, Employees' state insurance or cess and any other material statutory dues applicable to it. As explained to us the company does not have any dues on account of, Wealth tax, and Investor education and protection fund.

According to the information and explanation given to us and records examined by us, there are no undisputed statutory dues payable in respect of Provident fund, income tax, service tax, value added tax, custom duty, excise duty or cess and any other material statutory dues applicable to it which are outstanding as on 31st March, 2015 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and records examined by us, there are no dues of income tax, service tax, value added tax, custom duty, excise duty or cess and other statutory dues which have not been deposited on account of any dispute.

(c) According to the information and explanation given to us, the company is not required to transfer funds to investor education and protection fund.

(viii) The Company has not completed five years of operation therefore the paragraph 3(viii) of the order is not applicable.

(ix) In our opinion and according to the information and explanation given to us, the company has not taken any loan from financial institutions, bank or debenture holders.

(x) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee during the year for loans taken by others from banks or financial institutions.

(xi) The company has not taken any term loan during the year.

(xii) To the best of our knowledge and according to the information and explanation given to us by the management, no fraud on or by the company, has been noticed or reported during the year.

For Khandelwal Prakash Murari Bhandari & Co.

Chartered Accountants

(Firm's Registration No. 102454W)



Pawan Kumar Gupta

Partner

Membership No. 051713

Place: Mumbai

Date: 7 May 2015



Edelweiss Metals Limited

Balance Sheet

(Currency : Indian rupees)

	Note No.	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	5,05,00,000	5,00,000
(b) Reserves and surplus	2.2	15,85,43,679	(77,13,612)
		20,90,43,679	(72,13,612)
Non-current liabilities			
(a) Long-term borrowings	2.3	55,29,32,113	33,98,75,413
(b) Deferred tax liabilities (Net)	2.4	1,84,76,294	-
(c) Long-term provisions	2.5	10,18,000	1,58,000
Current liabilities			
(a) Short-term borrowings	2.6	6,74,46,916	-
(b) Trade payables	2.7	11,23,61,972	27,36,447
(c) Other current liabilities	2.8	3,18,56,309	25,73,406
(d) Short-term provisions	2.9	1,79,000	10,000
TOTAL		99,33,14,283	33,81,39,654
ASSETS			
Non-current assets			
(a) Fixed assets			
Tangible assets	2.10	88,34,86,951	93,225
Capital work-in-progress		40,33,264	32,92,32,923
(b) Deferred tax assets	2.11	-	52,089
(c) Long-term loans and advances	2.12	1,60,353	-
		88,76,80,568	32,93,78,237
Current assets			
(a) Inventories	2.13	6,26,28,476	-
(b) Trade receivables	2.14	15,595	-
(c) Cash and bank balances	2.15	2,00,54,060	67,27,285
(d) Short-term loans and advances	2.16	2,27,66,974	20,34,132
(e) Other current assets	2.17	1,68,610	-
		10,56,33,715	87,61,417
TOTAL		99,33,14,283	33,81,39,654

Significant accounting policies and notes to the financial statements 1 & 2

As per our report of even date attached.

For Khandelwal Prakash Murari Bhandari & Co.

Chartered Accountants

Firm's Registration No. 102454W

Pawan Kumar Gupta

Partner

Membership No.: 051713



Mumbai
7 May 2015

For and on behalf of the Board of Directors

Pushendra Dodia

Director

DIN : 05212966

Jalpa Jadav
Company Secretary
Mumbai
7 May 2015

Vimal Sahoo

Director

DIN : 06710037

Pradeep Nagori
Dy Chief Executive Officer

Edelweiss Metals Limited

Statement of Profit and Loss

(Currency : Indian rupees)

	Note No.	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue from operations			
Sale of manufactured products		14,04,88,648	-
Less: Excise duty		1,12,00,577	-
Net sales		12,92,88,071	-
Other operating revenue	2.18	50,836	-
Other Income	2.19	17,086	-
Total Revenue		12,93,55,993	-
Expenses			
Cost of materials consumed		18,67,89,491	-
Changes in inventories of commodities and work-in-progress		(6,26,28,476)	-
Employee benefit expenses	2.20	33,62,581	-
Finance costs	2.21	32,32,387	-
Depreciation and amortization expenses	2.10	70,13,140	42,793
Other expenses	2.22	68,01,196	1,41,162
Total expenses		14,45,70,319	1,83,955
Loss before tax		(1,52,14,326)	(1,83,955)
Deferred tax		1,85,28,383	(52,089)
Loss for the year		(3,37,42,709)	(1,31,866)
Earnings per equity share (Face value of Rs.10 each)			
Basic and diluted	2.27	(8.36)	(8.58)
Significant accounting policies and notes to the financial statements	1 & 2		
As per our report of even date attached.			

For **Khandelwal Prakash Murari Bhandari & Co.**
Chartered Accountants
Firm's Registration No. 102454W

Pawan Kumar Gupta
Partner
Membership No: 051713



Mumbai
7 May 2015

For and on behalf of the Board of Directors

Pushpendra Dodia
Director
DIN : 05212966

Jalpa Jadav
Company Secretary
Mumbai
7 May 2015

Vimal Saboo
Director
DIN : 06710037

Pradeep Nagoni
Dy Chief Executive Officer

Edelweiss Metals Limited

Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash flow from operating activities		
Loss before taxation	(1,52,14,326)	(1,83,955)
Adjustments for:		
Depreciation and amortization expenses	70,13,140	42,793
Provision for employee benefits	10,29,000	1,26,145
Interest expense	32,32,387	-
Operating cash flow before working capital changes	(39,39,799)	(15,017)
Add/(less): Adjustments for working capital changes		
Decrease/ (increase) in trade receivables	(15,595)	-
Increase in stock in trade	(6,26,28,476)	-
Increase in loans and advances	(2,08,93,195)	(19,41,567)
Increase in other assets	(1,68,610)	-
Increase/(decrease) in liabilities and provisions	13,89,08,428	(13,29,548)
Net cash generated from / (used in) operating activities - A	5,12,62,753	(32,86,132)
B Cash flow from investing activities		
Purchase of fixed assets	(56,52,07,207)	(1,13,780)
Additions to capital work in progress	-	(13,01,12,629)
Net cash used in investing activities - B	(56,52,07,207)	(13,02,26,409)
C Cash flow from financing activities		
Proceeds from issue of share capital	25,00,00,000	4,00,000
Borrowings through unsecured loans (net) (refer note 1 below)	28,05,03,616	13,98,92,267
Interest paid	(32,32,387)	(9,44,730)
Net cash generated from financing activities - C	52,72,71,229	13,93,47,537
Net increase in cash and cash equivalents (A+B+C)	1,33,26,775	58,34,996
Cash and cash equivalents as at the beginning of the year	67,27,285	8,92,289
Cash and cash equivalents as at the end of the year (refer note 2.15)	2,00,54,060	67,27,285

Note:

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

As per our report of even data attached.

For Khandelwal Prakash Murari Bhandari & Co.

Chartered Accountants

Firm's Registration No. 102454W

Pawan Kumar Gupta

Partner

Membership No: 051713



For and on behalf of the Board of Directors

Pushendra Dodia

Director

DIN : 05212966

Vimal Sahoo

Director

DIN : 06710037

Jalpa Jadav

Company Secretary

Pradeep Nagori
Chief Executive Officer

Mumbai

7 May 2015

Mumbai

7 May 2015

Edelweiss Metals 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 the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter together referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian rupees.

1.2 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statement. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Current-non-current classification

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

Assets

An Asset is classified as current when it satisfies any of the following criteria:

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

Current Assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

Liabilities

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

- a) It is expected to be settled in the company's normal operating cycle.
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.
All other liabilities are classified as non-current.



Edelweiss Metals Limited

Notes to the financial statements

1.4 Revenue Recognition

- a) Sale of commodity is recognised when all the significant risks and rewards have been passed to the buyer.
- b) Interest income is recognised on accrual basis.

1.5 Fixed assets and depreciation

Tangible fixed assets and Capital work in progress

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

Pre-operation expenses including trial run expenses (net of revenue) are capitalised.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

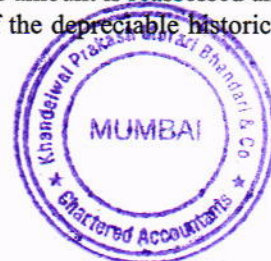
As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule for calculating the depreciation. The useful lives of the fixed assets are as follows:

Class of asset	Useful Life
Building (other than Factory Building)	60 years
Factory Building	30 years
Plant and Machinery	15 years
Furniture and fittings	10 years
Motor Vehicles	8 years
Office Equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

Leasehold land is amortized on a straight-line basis over the lease period.

1.6 Impairment of assets

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



Edelweiss Metals Limited

Notes to the financial statements

1.7 Inventories

Inventories are measured at weighted average cost or net realisable value whichever is lower. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Cost of raw materials, process chemicals, stores and spares, packing materials, trading and other products are determined on weighted average basis.

1.8 Borrowing costs

Borrowing costs that are 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.

1.9 Employee benefits

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

Provident fund

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

Gratuity

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

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

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

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

Compensated leave absences

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



Edelweiss Metals Limited

Notes to the financial statements

1.10 Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The 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.

1.11 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

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

1.12 Taxation

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

Current tax

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

Deferred tax

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



Edelweiss Metals Limited

Notes to the financial statements

1.13 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.



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.1 Share capital		
Authorised		
50,50,000 (Previous year 50,000) equity shares of Rs. 10 each	5,05,00,000	5,00,000
	<u>5,05,00,000</u>	<u>5,00,000</u>
Issued, subscribed and paid up:		
50,50,000 (Previous year 50,000) equity shares of Rs. 10 each	5,05,00,000	5,00,000
	<u>5,05,00,000</u>	<u>5,00,000</u>

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

Movement of share capital

	As at 31 March 2015		As at 31 March 2014	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	50,000	5,00,000	10,000	1,00,000
Issued during the year	50,00,000	5,00,00,000	40,000	4,00,000
Outstanding at the end of the year	<u>50,50,000</u>	<u>5,05,00,000</u>	<u>50,000</u>	<u>5,00,000</u>

Rights of equity shareholders:

The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. 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.

Shares held by holding company

	31 March 2015		31 March 2014	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs.10 each fully paid				
Edelweiss Commodities Services Limited	50,50,000	100%	50,000	100%

Details of shareholders holding more than 5% shares in the Company :

	31 March 2015		31 March 2014	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of Rs.10 each fully paid				
Edelweiss Commodities Services Limited	50,50,000	100%	50,000	100%
Total	<u>50,50,000</u>	<u>100%</u>	<u>50,000</u>	<u>100%</u>

2.2 Reserves and surplus

Securities Premium Account

	As at 31 March 2015	As at 31 March 2014
Opening balance	-	-
Add : Additions during the year	20,00,00,000	-
	<u>20,00,00,000</u>	<u>-</u>

Deficit in the statement of profit and loss

	As at 31 March 2015	As at 31 March 2014
Opening balance	(77,13,612)	(2,85,30,996)
Add : Pre-operative expenses of earlier year	-	2,09,49,250
Add: Loss for the year	(3,37,42,709)	(1,31,866)
	<u>(4,14,56,321)</u>	<u>(77,13,612)</u>
	<u>15,85,43,679</u>	<u>(77,13,612)</u>



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.3 Long-term borrowings		
<u>Unsecured</u>		
From:		
- Holding Company	55,29,32,113	33,98,75,413
(Repayable after 3 years, as mutually agreed)		
	<u>55,29,32,113</u>	<u>33,98,75,413</u>
2.4 Deferred taxes		
Deferred tax assets		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	52,089	-
Disallowances under section 43B of the Income Tax Act, 1961	3,69,873	-
Others	1,82,619	-
	<u>6,04,581</u>	<u>-</u>
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	1,90,80,875	-
	<u>1,90,80,875</u>	<u>-</u>
Deferred tax liabilities (net)	<u>1,84,76,294</u>	<u>-</u>
2.5 Long-term provisions		
Provision for employee benefits		
Gratuity	7,38,000	1,07,000
Compensated leave absences	2,80,000	51,000
	<u>10,18,000</u>	<u>1,58,000</u>
2.6 Short-term borrowings		
<u>Unsecured</u>		
From :		
- Holding Company	6,74,46,916	-
(Repayable on demand)		
	<u>6,74,46,916</u>	<u>-</u>
2.7 Trade payables		
Trade payables	11,23,61,972	27,36,447
(includes sundry creditors and provision for expenses)		
	<u>11,23,61,972</u>	<u>27,36,447</u>



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.8 Other current liabilities		
Interest accrued and due on borrowings	46,12,379	-
Other payables		
Accrued salaries and benefits	71,00,000	-
Withholding taxes, service tax and other taxes payable	21,65,403	8,04,357
Advances payable	2,24,835	-
Book overdraft	-	4,92,961
Payable to contractors	63,27,922	12,76,088
Security deposit	2,78,759	-
Others	1,11,47,011	-
	3,18,56,309	25,73,406
2.9 Short-term provisions		
Provision for employee benefits		
Compensated leave absences	69,000	10,000
Gratuity	1,10,000	-
	1,79,000	10,000



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.10 Fixed Assets (Refer Note No 2.32)

Description of Assets	Gross Block			Depreciation and amortization			Net Block		
	As at 1 April 2014	Additions during the year	Deductions / adjustments during the year	As at 31 March 2015	As at 1 April 2014	Charge for the year	Deductions / adjustments during the year	As at 31 March 2015	As at 31 March 2014
Tangible assets									
Leasehold land	-	17,73,59,859	-	17,73,59,859	-	1,68,905	-	17,71,90,954	-
Factory Building	-	28,68,86,190	-	28,68,86,190	-	16,41,611	-	28,52,44,579	-
Plant & Machinery	-	41,20,82,254	-	41,20,82,254	-	44,93,233	-	40,75,89,021	-
Furniture and fixtures	24,900	41,38,308	-	41,63,208	24,900	67,512	-	40,70,796	-
Office equipment	80,280	64,64,954	-	65,45,234	9,837	3,23,819	-	62,11,578	70,443
Computers	33,900	20,81,508	-	21,15,408	11,118	2,93,013	-	18,11,277	22,782
Motor Vehicles	-	13,93,793	-	13,93,793	-	25,047	-	13,68,746	-
Total	1,39,080	89,04,06,866	-	89,05,45,946	45,855	70,13,140	-	88,34,86,951	93,225
Previous Year	17,69,08,214	1,13,780	17,68,82,914	1,39,080	27,09,467	42,793	27,06,405	93,225	



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.11 Deferred taxes		
Deferred tax assets		
Tax effect of the timing differences on account of:		
- Difference between book and tax written down value of fixed assets	-	177
- Disallowances under section 43B of the Income Tax Act, 1961	-	51,912
	-	52,089
2.12 Long-term loans and advances (Unsecured, considered good)		
Other loans and advances		
Advance income taxes	60,353	-
Fixed deposit with bank (having maturity more than 12 months)	1,00,000	-
	1,60,353	-



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.13 Inventories		
(weighted average cost or market value whichever is lower)		
Raw materials	1,57,55,541	-
Work-in-progress	3,03,19,299	-
Finished goods	1,65,53,636	-
	6,26,28,476	-
2.14 Trade receivables		
Other debts		
Unsecured, considered good	15,595	-
	15,595	-
2.15 Cash and bank balances		
Cash and Cash equivalents		
Balances with banks		
- in current accounts	1,08,54,060	67,27,285
Other balances with bank		
Fixed deposit with a bank	92,00,000	-
	2,00,54,060	67,27,285



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.16 Short-term loans and advances (Unsecured, considered good)		
Loan and advances to others	44,000	-
Other loans and advances		
Deposits- others	96,756	48,256
Prepaid expenses	5,90,077	36,583
Loans and advances to employees	3,38,469	2,12,100
Vendor advances	1,19,91,388	3,42,000
Input tax credits	97,06,284	13,95,193
	2,27,66,974	20,34,132
2.17 Other current assets		
Accrued interest on fixed deposits	1,68,610	-
	1,68,610	-



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.18 Other operating revenue		
Interest income on fixed deposits	50,836	-
	<u>50,836</u>	<u>-</u>
2.19 Other income		
Miscellaneous income	17,086	-
	<u>17,086</u>	<u>-</u>
2.20 Employee benefit expenses (refer note no 2.32)		
Salaries and wages	25,96,374	-
Contribution to provident and other funds	3,32,543	-
Staff welfare expenses	4,33,664	-
	<u>33,62,581</u>	<u>-</u>
2.21 Finance costs		
Interest on loan from holding company (refer note no 2.32)	31,70,163	-
Interest - others	29,930	-
Financial and bank charges	32,294	-
	<u>32,32,387</u>	<u>-</u>



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.22 Other expenses		
Advertisement and business promotion	1,18,613	11,837
Auditors' remuneration (refer note 2.23)	68,910	30,899
Commission and brokerage	-	15,000
Communication	22,520	-
Dematerialisation charges	22,500	-
Electricity charges (refer note 2.31)	8,07,212	-
Foreign exchange loss (net)	2,16,804	-
Insurance	53,196	-
Legal and professional fees	27,59,071	62,200
Membership and subscription	1,66,626	5,500
Office expenses	3,55,943	-
Postage and courier	5,492	-
Printing and stationery	4,324	-
Rates and taxes	4,79,035	2,500
Rent (refer note 2.31)	23,277	-
Repairs and maintenance - building	43,346	-
ROC expenses	5,32,976	12,200
Service tax expenses	92,639	-
Stamp duty	2,51,349	-
Stock exchange expenses	3,180	-
Transportation charges	889	-
Travelling and conveyance	3,68,059	-
Housekeeping and security charges	2,57,648	-
Miscellaneous expenses	1,47,587	1,026
	68,01,196	1,41,162



Edelweiss Metals Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2015

(Currency: Indian rupees)

2.23 Auditors' remuneration:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
As auditor	65,000	27,500
For reimbursement of expenses	3,910	3,399
Total	68,910	30,899

2.24 Earnings and expenditure in foreign currency:

The Company has incurred Rs.84,90,19,667/- (Previous year: Rs. 4,44,10,159) as payments made in foreign currency as per table below.

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
a) Towards capital expenditure	1,06,04,057	4,26,88,054
b) Towards raw material procurement	83,82,24,641	-
c) Towards foreign travel	1,90,969	-
d) Towards legal & professional expenses	-	17,22,105
Total	84,90,19,667	4,44,10,159

2.25 Capital commitment:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 11,33,535 (Previous year: Rs. 23,04,67,000)

2.26 Contingent liability:

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



Edelweiss Metals Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2015

(Currency: Indian rupees)

2.27 Earnings per share:

In accordance with Accounting Standard (AS) 20 "Earnings per share" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The computation of earnings per share is set out below.

S. No	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
(a)	Loss after tax (as per statement of profit and loss)	(3,37,42,709)	(1,31,866)
(b)	Calculation of weighted average number of equity shares of Rs 10 each:		
	Number of shares outstanding at the beginning of the year	50,000	10,000
	Number of shares issued during the year	50,00,000	40,000
	Total number of equity shares outstanding at the end of the year	50,50,000	50,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	40,36,301	15,370
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	(8.36)	(8.58)

2.28 Segment reporting:

The Company has operated only in one business segment during the year viz. capital based business comprising of trading, manufacturing mainly melting, and refinement of precious metals and production of gold and silver casted bars. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. 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.



Edelweiss Metals Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2015

(Currency: Indian rupees)

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

S. No	Particulars
A.	Names of related parties by whom control is exercised:
	Edelweiss Commodities Services Limited, Holding company
	Edelweiss Financial Services Limited, Ultimate holding company
B.	Fellow subsidiary with whom transactions have taken place during the year:
	Edel Commodities Trading Limited
	Edelweiss Web Services Limited

Transactions with related parties:

Nature of transaction	Related party name	For the year ended 31 March 2015	For the year ended 31 March 2014
Capital account transactions			
Equity share capital issued to (including Securities Premium)	Edelweiss Commodities Services Limited	25,00,00,000	400,000
Current account transactions			
Long term loans taken from (Refer note 1)	Edelweiss Commodities Services Limited	33,92,44,094	13,98,92,267
Long term loans repaid to (Refer note 1)	Edelweiss Commodities Services Limited	12,61,87,394	-
Short term loans taken from (Refer note 1)	Edelweiss Commodities Services Limited	70,97,00,000	-
Short term loans repaid to (Refer note 1)	Edelweiss Commodities Services Limited	64,22,53,084	-
Interest Expenses on loan from	Edelweiss Commodities Services Limited (Net of capitalization of Borrowing cost Rs. 3,89,91,152)	31,70,163	-
Reimbursement paid to	Edelweiss Commodities Services Limited	7,59,30,990	-
	Edelweiss Financial Services Limited	2,31,45,372	45,94,208
	Edelweiss Web Services Limited	600	-
Professional fees paid	Edelweiss Web Services Limited	25,210	1,200
Purchase of Commodities from	Edelweiss Commodities Services Limited	90,74,809	-

Edelweiss Metals Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2015

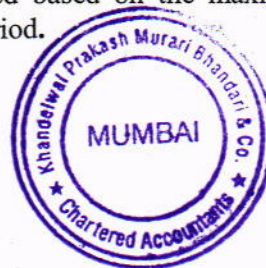
(Currency: Indian rupees)

2.29 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):

Transactions with related parties:

Nature of transaction	Related party name	For the year ended 31 March 2015	For the year ended 31 March 2014
Balances with related parties as at 31 March 2015			
Trade payables to	Edelweiss Financial Services Limited	226,058	12,000
	Edelweiss Web Services Limited	25,805	1,228
Trade receivables from	Edelweiss Commodities Services Limited	13,83,844	-
Nomination deposit payable	Edelweiss Commodities Services Limited	1,00,000	-
Cost reimbursements receivable from	Edelweiss Commodities Services Limited	3,67,000	-
	Edelweiss Web Services Limited	15,595	-
Cost reimbursements payable to	Edel Commodities Trading Limited	87,000	-
	Edelweiss Commodities Services Limited	7,42,83,962	-
Unsecured long term loan from	Edelweiss Commodities Services Limited	55,29,32,113	33,98,75,413
Unsecured short term loan from	Edelweiss Commodities Services Limited	6,74,46,916	-
Accrued interest expense on loan received from	Edelweiss Commodities Services Limited	46,12,379	-

Note 1: Loan given/taken to/from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.



Edelweiss Metals Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2015

(Currency: Indian rupees)

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

A) Defined contribution plan (Provident fund)

Amount of Rs. 84,457 (net of capitalisation of Rs. 306,266 to Refinery assets) is recognised as expense and is included in "Employee benefit expenses"- Note 2.20 in the statement of profit and Loss.

B) Defined benefit plan (Gratuity)

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

Net employees benefit expenses:

	For the year ended 31 March 2015	For the year ended 31 March 2014
Current service cost	2,55,000	57,145
Interest on defined benefit obligation	38,000	3,000
Expected return on plan assets	-	-
Past service cost	-	-
Net actuarial losses recognized in the year	1,24,000	5,000
Total included in 'Employee Benefit Expenses'	4,17,000	65,145

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

	As at 31 March 2015	As at 31 March 2014
Liability at the beginning of the year	1,07,000	41,855
Interest cost	38,000	3,000
Current service cost	2,55,000	57,145
Transfer In/(Out)	3,24,000	-
Actuarial loss on obligations	1,24,000	5,000
- Difference due to change in assumptions	-	-
- Experience Adjustment of plan asset	-	-
Liability at the end of the year	8,48,000	1,07,000
Of which, short term provision	1,10,000	-



Edelweiss Metals Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2015

(Currency: Indian rupees)

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

Amount recognised in the Balance Sheet:

Particulars	As at 31 March 2015	As at 31 March 2014
Liability at the end of the year	8,48,000	1,07,000
Fair value of plan assets at the end of the year	-	-
Amount in Balance Sheet - Liability	8,48,000	107,000

Principal actuarial assumptions at the balance sheet date:

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

2.31 Cost sharing:

Edelweiss Commodities Services Limited, being the holding company incurs expenditures like rent expenditure, electricity expenditure etc., which is for the benefit of the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied and actual identifications etc. Accordingly, and as identified by the management, the expenditure heads in note 2.22 in the statement of the profit and loss are inclusive of the reimbursements.

2.32 The setting up of the refinery plant of the Company at Naroda in Ahmedabad has been completed during the financial year. The main refinery Plant, building & related infrastructure to operate the precious metal refining facility effectively and efficiently along with erection and commissioning of the associated machinery and the trial run was completed on 10th March 2015. Accordingly, all the refinery assets namely lease hold land, factory building, plant and machinery are capitalised on 10th March 2015. The Plant has been installed with an annual capacity of 70 MT of Gold and 200 MT of Silver.

Costs and expenses like employee costs ,borrowings costs and operating expenses related to the setting up of the factory (plant) building ,plant and machinery have been capitalised to their respective fixed assets including costs of trial run (net of sales proceeds of trial run production).

2.33 Purchase Commitment:

The Company has issued purchase order for commodity stocks worth Rs.48,20,14,768 (Previous Year: Nil) for which goods are pending to be received and no payment has been made against the same as at the year end.



Edelweiss Metals Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2015

(Currency: Indian rupees)

2.34 Detail of purchases, sales and change in inventory:

Commodities:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Opening Stock	-	-
Purchases – bullion, stores, spares and consumables	18,67,89,491	-
Sales – bullion	12,92,88,071	-
Closing stock Bullion, stores, spares and consumables	6,26,28,476	-
Profit on sale of commodities	51,27,056	-

2.35 Details of dues to micro, small and medium enterprises

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

For Khandelwal Prakash Murari Bhandari & Co.

For and on behalf of the Board of Directors

Chartered Accountants

Firm's Registration No. 102454W

Pawan Kumar Gupta
Partner
Membership No.051713



Pushendra Dodia
Director
DIN:05212966

Vinod Saboo
Director
DIN:06710037

Jalpa Jadav
Company Secretary

Pradeep Nagari
Dy Chief Executive Officer

Mumbai
7 May 2015

Mumbai
7 May 2015