

Edelweiss Metals Limited

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

Edelweiss Metals Limited

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

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KHANDELWAL PRAKASH MURARI BHANDARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
EDELWEISS METALS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements **Edelweiss Metals Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, Statement of Profit and Loss and 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 Financial Statements

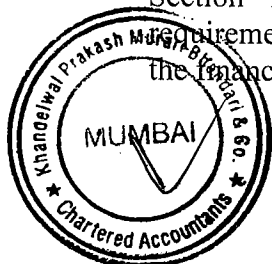
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



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

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

Opinion

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


Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 , we give in the "**Annexure A**" a statement on the matter specified in the paragraph 3 and 4 of the order .
- 2) As required by Section 143 (3) of the Act, we report, to the extent applicable, 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, 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 Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable.

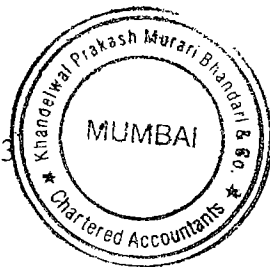


- e) On the basis of the written representations received from the Directors of the company as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our Report in "**Annexure B**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The company does not have any pending litigations which would impact its financial position.
 - ii. The company did not have any long term contracts including derivative contracts for which any provision required for 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: 29th April 2016



M/S EDELWEISS METALS LIMITED

Annexure "A" to Independent Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which 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;
 - (c) According to the information and explanations given to us and records examined by us, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Company has a regular programme of physical verification of its inventory by which closing quantity is verified regularly at the end of the every financial year and no material discrepancies were noticed during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its inventory.
- (iii) According to the information and explanation given to us, during the year the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
- (iv) The Company has not granted any loans, guarantees, security or has not made any investment which attracts the provisions of section 185 and 186 of the Companies Act 2013. Accordingly, paragraph 3(iv) of the order is not applicable.
- (v) The Company has not accepted any deposits from public.
- (vi) The Central Government has not prescribed the maintenance of Cost records under section 148 (1) of Act, for the Company.
- (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 and any other material statutory dues applicable to the company. As explained to us the company does not have any dues on account of Wealth tax.

According to the information and explanation given to 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 the company which are outstanding as on 31st March, 2016 for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us, there are no dues of income tax, service tax, value added tax, custom duty, excise duty and other material statutory dues applicable to the company which have not been deposited on account of any dispute.
- (viii) Based on the information available and explanations given by the management, the company has not taken any loan from financial institutions, banks, government or debenture holders. Accordingly, paragraph 3(viii) of the order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no 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) The Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and records examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and records examined by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Khandelwal Prakash Murari Bhandari & Co.

Chartered Accountants

(Firm's Registration No. 102454W)

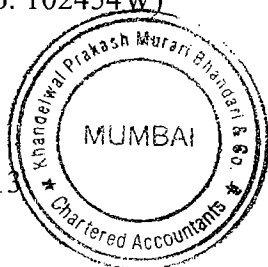
Pawan Kumar Gupta

Partner

Membership No. 051713

Place: Mumbai

Date: 29th April 2016



Annexure-B to the Independent Auditors' Report

Report on the Internal Financial Controls over financial reporting 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 Metals Limited ("the Company")** as at 31st March 2016 in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standard of Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For Khandelwal Prakash Murari Bhandari & Co.

Chartered Accountants

(Firm's Registration No. 102454W)

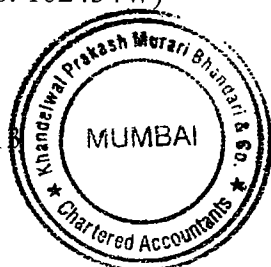
Pawan Kumar Gupta

Partner

Membership No. 051718

Place: Mumbai

Date: 29th April 2016



Edelweiss Metals Limited

Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	5,05,00,000	5,05,00,000
Reserves and surplus	2.2	(11,95,74,417)	15,85,43,679
		(6,90,74,417)	20,90,43,679
Non-current liabilities			
Long-term borrowings	2.3	55,29,32,113	55,29,32,113
Deferred tax liabilities (net)	2.4	1,62,45,530	1,84,76,294
Long-term provisions	2.5	19,25,000	10,18,000
Current liabilities			
Short-term borrowings	2.6	33,94,42,743	6,74,46,916
Trade payables			
Total outstanding due of Micro, Small and Medium enterprises	2.35	-	-
Total outstanding due of creditors other than Micro, Small and Medium enterprises	2.7	82,01,932	11,23,61,972
Other current liabilities	2.8	2,81,77,859	3,18,56,309
Short-term provisions	2.9	3,20,000	1,79,000
TOTAL		87,81,70,760	99,33,14,283
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.10	78,85,00,892	88,34,86,951
Capital work-in-progress		1,53,34,762	40,33,264
Long-term loans and advances	2.11	1,59,911	60,353
Other non-current assets	2.12	2,88,982	1,00,000
		80,42,84,547	88,76,80,568
Current assets			
Inventories	2.13	2,22,51,759	6,26,28,476
Cash and bank balances	2.14	2,38,70,722	2,00,54,060
Short-term loans and advances	2.15	1,26,63,795	2,27,82,569
Other current assets	2.16	1,50,99,937	1,68,610
		7,38,86,213	10,56,33,715
TOTAL		87,81,70,760	99,33,14,283

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.

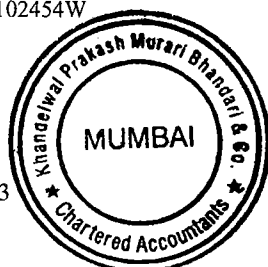
Chartered Accountants

Firm's Registration No. 102454W

Pawan Kumar Gupta

Partner

Membership No.: 051713



For and on behalf of the Board of Directors

Pushpendra Dodia

Director

DIN : 05212966

Deepak Mundra

Director

DIN : 6733120

Pradeep Nagori

Chief Executive officer

29 April 2016

Mumbai

29 April 2016

Mumbai

Edelweiss Metals Limited

Statement of Profit and Loss

(Currency : Indian rupees)

		For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Sale of manufactured products		1,01,84,32,306	14,04,88,648
Less: excise duty		8,31,74,862	1,12,00,577
Net sales		93,52,57,444	12,92,88,071
Income from treasury operations and investments	2.17	54,77,513	-
Other operating revenue	2.18	15,99,108	50,836
Other Income	2.19	1,36,608	17,086
Total Revenue		94,24,70,673	12,93,55,993
Expenses			
Cost of materials consumed		88,83,08,807	18,67,89,491
Changes in inventories of commodities and work-in-progress		4,03,76,717	(6,26,28,476)
Employee benefit expenses	2.20	5,46,54,903	33,62,581
Finance costs	2.21	7,92,58,441	32,32,387
Depreciation and amortization expenses	2.10	11,17,45,012	70,13,140
Other expenses	2.22	4,84,75,653	68,01,196
Total expenses		1,22,28,19,533	14,45,70,319
Loss before tax		(28,03,48,860)	(1,52,14,326)
Tax expense:			
Deferred tax		(22,30,764)	1,85,28,383
Loss for the year		(27,81,18,096)	(3,37,42,709)
Earnings per equity share (Face value of Rs.10 each)			
Basic and diluted	2.28	(55.07)	(8.36)
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.

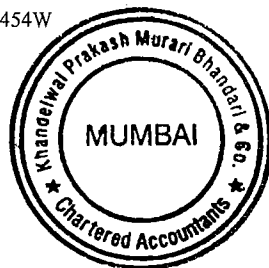
For Khandelwal Prakash Murari Bhandari & Co.

Chartered Accountants

Firm's Registration No. 102454W

Pawan Kumar Gupta
Partner

Membership No: 051713



29 April 2016
Mumbai

For and on behalf of the Board of Directors

Pushpendra Dodia
Director

DIN : 05212966

Deepak Mundra
Director

DIN : 6733120

Pradeep Nagori
Executive officer

29 April 2016
Mumbai

Edelweiss Metals Limited

Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash flow from operating activities		
Loss before taxation	(28,03,48,860)	(1,52,14,326)
Adjustments for:		
Depreciation and amortization expenses	11,17,45,012	70,13,140
Provision for employee benefits	10,48,000	10,29,000
Interest expense	7,89,72,887	31,70,163
Operating cash flow before working capital changes	(8,85,82,961)	(40,02,023)
Add/(less): Adjustments for working capital changes		
Increase in trade receivables	-	(15,595)
Decrease/(increase) in stock in trade	4,03,76,717	(6,26,28,476)
Decrease/(increase) in loans and advances	98,75,782	(2,08,93,195)
Increase in other assets	(1,49,31,327)	(1,68,610)
(Decrease) /increase in liabilities and provisions	(10,70,01,910)	13,89,08,428
Net cash (used in)/generated from operating activities	(16,02,63,699)	5,12,00,529
Income taxes paid	(99,558)	-
Net cash (used in) / generated from operating activities - A	(16,03,63,257)	5,12,00,529
B Cash flow from investing activities		
Purchase of fixed assets	(2,80,60,451)	(56,52,07,207)
Net cash used in investing activities - B	(2,80,60,451)	(56,52,07,207)
C Cash flow from financing activities		
Proceeds from issue of share capital	-	25,00,00,000
Borrowings through unsecured loans (net) (refer note 1 below)	27,19,95,827	28,05,03,616
Refund received of short term loans & advances	54,010	-
Interest paid	(7,98,09,469)	(31,70,161)
Net cash generated from financing activities - C	19,22,40,368	52,73,33,455
Net increase in cash and cash equivalents (A+B+C)	38,16,660	1,33,26,777
Cash and cash equivalents as at the beginning of the year	2,00,54,062	67,27,285
Cash and cash equivalents as at the end of the year (refer note 2.14)	2,38,70,722	2,00,54,062

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.

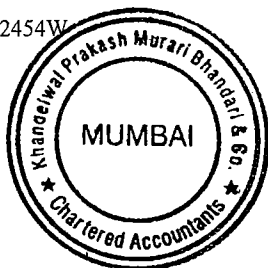
Chartered Accountants

Firm's Registration No. 102454W

Pawan Kumar Gupta

Partner

Membership No: 051713



Mumbai

29 April 2016

For and on behalf of the Board of Directors

Pushpendra Dodia

Director

DIN : 05212966

Deepak Mundra

Director

DIN : 6733120

(Signature)
Chief Executive officer

Mumbai

29 April 2016

Edelweiss Metals Limited

Notes to the financial statements (Continued)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Use of estimates

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

1.3 Current-non-current classification

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

Assets

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

Liabilities

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



Edelweiss Metals Limited

Notes to the financial statements (Continued)

1.4 Revenue Recognition

- Commodities' sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.
- Interest income is recognised on accrual basis.
- Income from treasury comprises of profit/loss on sale of commodities and profit/loss on derivative instruments:

Realised profit/loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards/futures/options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, market intermediary quotes, valuation techniques are used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure

1.5 Fixed assets and depreciation Tangible fixed assets and Capital work in progress

Tangible fixed assets acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

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 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	Useful Life
Building (other than factory building)	60 years
Factory building	30 years
Plant and machinery	15 years
Furniture and fixtures	10 years
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



Edelweiss Metals Limited

Notes to the financial statements (Continued)

1.5 Fixed assets and depreciation (continued)

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

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

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 Group 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 a previously assessed impairment loss no longer exists, the recoverable amount is reassessed recognized in the statement of profit and loss. If at the balance sheet date there is an indication that and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

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 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.

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:

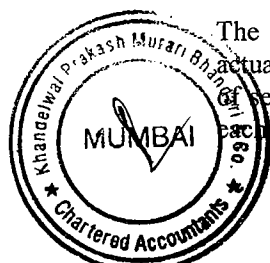
Provident fund

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.



Edelweiss Metals Limited

Notes to the financial statements (Continued)

1.9 Employee benefits (continued)

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

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

Compensated leave absences

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

1.10 Foreign currency transactions

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

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

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

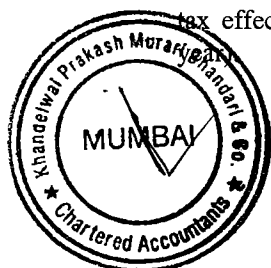
1.11 Earnings per share

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

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

1.12 Taxation

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



Edelweiss Metals Limited

Notes to the financial statements (Continued)

1.12 Taxation (Continued)

Current tax

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

Deferred Tax

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

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 2016	As at 31 March 2015
2.1 Share capital		
Authorised		
50,50,000 (Previous year 50,50,000) equity shares of Rs. 10 each	5,05,00,000	5,05,00,000
	5,05,00,000	5,05,00,000
Issued, subscribed and paid up:		
50,50,000 (Previous year 50,50,000) equity shares of Rs. 10 each	5,05,00,000	5,05,00,000
	5,05,00,000	5,05,00,000

(a) Movement of share Capital

	As at 31 March 2016		As at 31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	50,50,000	5,05,00,000	50,000	5,00,000
Issued during the year	-	-	50,00,000	5,00,00,000
Outstanding at the end of the year	50,50,000	5,05,00,000	50,50,000	5,05,00,000

(b) 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

(c) Shares held by holding company

	As at 31 March 2016		As at 31 March 2015	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs.10 each fully paid				
Edelweiss Commodities Services Limited	50,50,000	100%	50,50,000	100%

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

	As at 31 March 2016		As at 31 March 2015	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs.10 each fully paid				
Edelweiss Commodities Services Limited	50,50,000	100%	50,50,000	100%
Total	50,50,000	100%	50,50,000	100%

2.2 Reserves and surplus

Securities premium Account

	As at 31 March 2016	As at 31 March 2015
Opening balance	20,00,00,000	-
Add : Additions during the year	-	20,00,00,000
Closing Balance	20,00,00,000	20,00,00,000

Deficit in the statement of profit and loss

	As at 31 March 2016	As at 31 March 2015
Opening balance	(4,14,56,321)	(77,13,612)
Add: Loss for the year	(27,81,18,096)	(3,37,42,709)
Closing Balance	(31,95,74,417)	(4,14,56,321)
	(11,95,74,417)	15,85,43,679



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.3 Long-term borrowings		
Unsecured		
From:		
- Holding company	55,29,32,113	55,29,32,113
	<u>55,29,32,113</u>	<u>55,29,32,113</u>
2.4 Deferred taxes		
Deferred tax assets		
Tax effect of the timing differences on account of		
Disallowances under section 43B of the Income Tax Act, 1961	6,93,705	3,69,873
Others	<u>1,36,964</u>	<u>1,82,619</u>
	8,30,669	5,52,492
Deferred tax liabilities		
Tax effect of the timing differences on account of		
Difference between book and tax depreciation	<u>1,70,76,199</u>	<u>1,90,28,786</u>
	1,70,76,199	1,90,28,786
Deferred tax liabilities (net)	<u>1,62,45,530</u>	<u>1,84,76,294</u>
2.5 Long-term provisions		
Provision for employee benefits		
Gratuity	13,29,000	7,38,000
Compensated leave absences	<u>5,96,000</u>	<u>2,80,000</u>
	19,25,000	10,18,000
2.6 Short-term borrowings		
Unsecured		
From :		
- Holding company /Ultimate Holding company	33,94,42,743	6,74,46,916
	<u>33,94,42,743</u>	<u>6,74,46,916</u>
2.7 Trade payables		
Trade payables (includes sundry creditors and provision for expenses)	82,01,931	11,23,61,972
	<u>82,01,931</u>	<u>11,23,61,972</u>



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.8 Other current liabilities		
Interest accrued and due on borrowings	37,75,797	46,12,379
Other payables		
Accrued salaries and benefits	1,35,00,000	71,00,000
Withholding taxes and other taxes payable	40,03,665	21,65,403
Advances from customers	20,733	2,24,835
Payable to contractors	54,50,374	63,27,922
Security deposit	-	2,78,759
Others	14,27,290	1,11,47,011
	2,81,77,859	3,18,56,309

2.9 Short-term provisions

Provision for employee benefits		
Compensated leave absences	1,58,000	69,000
Gratuity	1,62,000	1,10,000
	3,20,000	1,79,000



10 Fixed Assets

Description of Assets	Gross Block			Depreciation and amortization			Net Block		
	As at 1 April 2015	Additions during the year	Deductions / adjustments during the year	As at 31 March 2016	As at 1 April 2015	Charge for the year	Deductions / adjustments during the year	As at 31 March 2016	As at 31 March 2015
Tangible assets									
Leasehold land	17,73,59,859	-	-	17,73,59,859	1,68,905	28,02,286	-	17,43,88,668	17,71,90,954
Factory Building	28,68,86,190	36,55,743	-	29,05,41,933	16,41,611	2,74,97,113	-	26,14,03,209	28,52,44,579
Plant & Machinery	41,20,82,254	80,60,987	-	42,01,43,241	44,93,233	7,45,41,599	-	34,11,08,409	40,75,89,021
Furniture and fixtures	41,63,208	2,93,086	-	44,56,294	92,412	11,48,960	-	32,14,922	40,70,796
Office equipment	65,45,234	1,99,059	-	67,44,293	3,33,656	30,03,622	-	34,07,015	62,11,578
Computers	21,15,408	6,90,748	-	28,06,156	3,04,131	12,92,306	-	12,09,719	18,11,277
Vehicle	13,93,793	12,78,094	-	26,71,887	25,047	10,83,942	-	15,62,898	13,68,746
Total : A	89,05,45,946	1,41,77,717	-	90,47,23,663	70,58,995	11,13,69,828	-	78,62,94,840	88,34,86,951
Intangible assets									
Computer software	-	25,81,236	-	25,81,236	-	3,75,184	-	22,06,052	-
Total : B	-	25,81,236	-	25,81,236	-	3,75,184	-	22,06,052	-
Grand Total (A+B)	89,05,45,946	1,67,58,953	-	90,73,04,899	70,58,995	11,17,45,012	-	78,85,00,892	88,34,86,951
Previous Year	1,39,080	89,04,06,866	-	89,05,45,946	45,855	70,13,140	-	88,34,86,951	



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.11 Long-term loans and advances		
Other loans and advances		
Advance income taxes	1,59,911	60,353
	<u>1,59,911</u>	<u>60,353</u>
2.12 Other non current asset		
Fixed deposit with a bank having maturity more than 12 months	2,86,750	1,00,000
Accrued interest on fixed deposits	2,232	-
	<u>2,88,982</u>	<u>1,00,000</u>



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.13 Inventories		
(Cost or market value whichever is lower)		
Raw materials	-	79,40,534
Work-in-progress	92,06,947	3,03,19,299
Finished goods	48,50,045	1,65,53,636
Stores & Spares consumables	81,94,767	78,15,007
	<u>2,22,51,759</u>	<u>6,26,28,476</u>
2.14 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	68,70,722	1,08,54,060
- in fixed deposits with original maturity less than 3 months	68,00,000	-
Other balances with banks		
Short term fixed deposits with bank with maturity less than 12 months	1,02,00,000	92,00,000
	<u>2,38,70,722</u>	<u>2,00,54,060</u>



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.15 Short-term loans and advances (Unsecured, considered good)		
Loans and advances to related parties	5,585	59,595
Other loans and advances		
Deposits placed with/ for exchange/ depositories	8,500	-
Deposits - others	1,50,956	96,756
Prepaid expenses	10,45,894	5,90,077
Loans and advances to employees	2,98,145	3,38,469
Vendor advances	6,55,808	1,19,91,388
Input tax credits	1,04,98,907	97,06,284
	1,26,63,795	2,27,82,569
2.16 Other current assets		
Accrued interest on fixed deposits	1,42,807	1,68,610
Accrued interest on margin	5,549	-
Margin placed with brokers	1,49,51,581	-
	1,50,99,937	1,68,610



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.17 Income from treasury operations and investments		
Profit on trading in commodity derivative instruments (net)	1,70,543	-
Profit on trading in currency derivative instruments (net)	16,49,115	-
Profit due to foreign exchange movement on trade	36,57,855	-
	54,77,513	-
2.18 Other operating revenue		
Interest income on fixed deposits	12,76,685	50,836
Interest income on margin with brokers	3,22,423	-
	15,99,108	50,836
2.19 Other income		
Miscellaneous income	1,34,491	17,086
Interest Income - others	2,117	-
	1,36,608	17,086



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.20 Employee benefit expenses		
Salaries and wages (Refer note 2.32)	5,06,54,294	25,96,374
Contribution to provident and other funds	19,07,979	3,32,543
Staff welfare expenses	20,92,630	4,33,664
	5,46,54,903	33,62,581
2.21 Finance costs		
Interest on loan from holding / ultimate holding company	7,89,72,887	31,70,163
Interest - others	39,306	29,930
Financial and bank charges	2,46,248	32,294
	7,92,58,441	32,32,387



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.22 Other expenses		
Advertisement and business promotion	2,45,055	1,18,613
Auditors' remuneration (Refer note 2.24)	2,56,500	68,910
Commission and brokerage	34,000	-
Communication	14,03,624	22,520
Computer software	9,088	-
Clearing and custodian charges	5,55,541	-
Dematerialisation charges	(22,500)	22,500
Electricity charges (Refer note 2.32)	78,52,951	8,07,212
Foreign exchange loss (net)	-	2,16,804
Insurance	8,32,104	53,196
Legal and professional fees	1,37,20,389	27,59,071
Membership and Subscription	3,95,930	1,66,626
Office expenses	26,99,837	3,55,943
Postage and courier	74,036	5,492
Printing and stationery	1,79,023	4,324
Rates and taxes	2,94,834	4,79,035
Rent (Refer note 2.32)	6,00,978	23,277
Repairs and maintenance - building	26,13,534	43,346
Repairs and maintenance - others	5,500	-
ROC expenses	2,400	5,32,976
Service tax expenses	15,54,215	92,639
Stamp duty	4,690	2,51,349
Stock exchange expenses	1,19,092	3,180
Transportation charges	46,57,937	889
Travelling and conveyance	48,39,411	3,68,059
Warehousing charges	32,268	-
Commodity transaction tax	1,509	-
Housekeeping and security charges	49,27,089	2,57,648
Miscellaneous expenses	5,86,618	1,47,587
	4,84,75,653	68,01,196



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

- 2.23 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 subsidiaries with whom transactions have taken place during the year:
	Edel Commodities Trading Limited
	Edelweiss Web Services Limited
	Edelweiss Securities Limited



Edelweiss Metals Limited

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

(Currency: Indian rupees)

2.23 Related Party (Continued)

(C) Transactions with related parties:

ii.	Transactions with related parties :			
Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2016	For the year ended 31 March 2015
	Capital account transactions			
1	Equity share capital issued to (including securities premium)	Edelweiss Commodities Services Limited	-	25,00,00,000
	Current account transactions			
2	Long term loan taken from (refer note below)	Edelweiss Commodities Services Limited	-	33,92,44,094
3	Short term Loans taken from (refer note below)	Edeweiss Financial Services Limited	33,90,00,000	-
		Edelweiss Commodities Services Limited	53,13,00,291	70,97,00,000
4	Long term Loan repaid to (refer note below)	Edelweiss Commodities Services Limited	-	12,61,87,394
5	Short term Loan repaid to (refer note below)	Edeweiss Financial Services Limited	27,00,13,996	-
		Edelweiss Commodities Services Limited	32,82,90,468	64,22,53,084
6	Margin money given (refer note below)	Edelweiss Securities Limited	2,57,11,826	-
		Edelweiss Commodities Services Limited	5,00,64,274	-
7	Margin money withdrawn (refer note below)	Edelweiss Securities Limited	1,09,57,922	-
		Edelweiss Commodities Services Limited	4,98,66,596	-
8	Interest Expenses on loan from	Edelweiss Commodities Services Limited	7,00,30,989	31,70,163
		(including Capitalisation of Borrowing costs Rs 3,89,91,152 in FY 14-15)		
		Edeweiss Financial Services Limited	89,41,898	-
9	Cost Reimbursements to	Edelweiss Financial Services Limited	4,74,115	2,88,248
		Edelweiss Commodities Services Limited	5,36,857	3,96,682
10	Reimbursements paid to	Edelweiss Commodities Services Limited	3,16,900	7,55,34,308
		Edelweiss Financial Services Limited	1,15,43,421	2,28,57,124
		Edelweiss Web Services Limited	46,65,847	600
11	Processing fees paid to	Edelweiss Web Services Limited	60,890	25,210
12	Purchase of Commodities from	Edelweiss Commodities Services Limited	-	90,74,809
13	Clearing charges paid to	Edelweiss Securities Limited	66,425	-
14	Interest Income on margin placed with	Edelweiss Commodities Services Limited	1,87,740	-
		Edelweiss Securities Limited	1,34,683	-



Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2016	For the year ended 31 March 2015
	Balances with related parties as at 31st March 2016 :			
	(Liabilities)			
15	Trade Payables	Edelweiss Financial Services Limited	20,208	2,26,058
		Edelweiss Web Services Limited	63,630	25,805
		Edelweiss Commodities Services Limited	5,442	-
16	Cost reimbursement payable	Edelweiss Commodities Services Limited	-	7,42,83,962
		Edel Commodities Trading Limited	-	87,000
17	Nomination deposit payable	Edelweiss Commodities Services Limited	1,00,000	1,00,000
18	Unsecured long term loan taken from	Edelweiss Commodities Services Limited	55,29,32,113	55,29,32,113
		Edelweiss Financial Services Limited	6,89,86,004	-
19	Interest payable	Edelweiss Commodities Services Limited	32,75,042	46,12,379
		Edelweiss Financial services Limited	5,00,755	-
	Balances with related parties as at 31st March 2016 :			
	(Assets)			
20	Cost reimbursement recoverable	Edelweiss Commodities Services Limited	-	13,83,844
		Edelweiss Commodities Services Limited	-	3,67,000
21	Short term loans & advances	Edelweiss Web Services Limited	5,585	15,595
22	Accrued interest on margin placed	Edelweiss Securities Limited	5,461	-
		Edelweiss Commodities Services Limited	88	-
23	Margin receivable from	Edelweiss Securities Limited	1,47,53,903	-
		Edelweiss Commodities Services Limited	1,97,678	-
Note :				
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.				



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.24 Auditors' remuneration:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
As auditor	250,000	65,000
For reimbursement of expenses	6,500	3,910
Total	256,500	68,910

2.25 Earnings and expenditure in foreign currency:

S. No	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
A	Earnings in foreign exchange received	-	-
B	Expenditure in foreign currency towards:		
	Raw material procurement	896,458,964	838,224,641
	Foreign travel	234,585	190,969
	Legal and professional expenses	6,385,142	-
	Others	1,538,566	-
C	Capital expenditure	15,935,745	10,604,057

2.26 Capital commitment:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs 19,22,000 (Previous year: Rs.11,33,535)

2.27 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)

(Currency: Indian rupees)

2.28 Earnings per share:

In accordance with Accounting Standard 20 on Earnings per share issued by the Companies (Accounting Standards) Rules, 2006, the computation of earnings per share is set out below:

S. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
(a)	Loss after tax (as per statement of profit and loss)	(27,81,18,096)	(3,37,42,709)
(b)	Calculation of weighted average number of equity shares of Rs 10 each:		
	Number of equity shares outstanding at the beginning of the year	50,50,000	50,000
	Number of equity shares issued during the year	-	50,00,000
	Total number of equity shares outstanding at the end of the year	50,50,000	50,50,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	50,50,000	40,36,301
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	(55.07)	(8.36)

2.29 Segment reporting:

The Company has operated primarily in one business segment during the year comprising of manufacturing mainly melting, 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.

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

A) Defined contribution plan (Provident fund)

Amount of Rs 19,07,475 (Previous year: Rs 306,266 net off post capitalisation of Rs 16,41,714 to refinery assets in FY 14-15) 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 of profit and loss, the funded status and amounts recognized in the balance sheet for the gratuity benefit plan.



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.31 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued) Net employees benefit expenses:

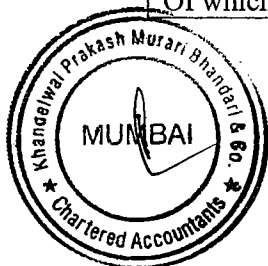
Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	447,000	255,000
Interest on defined benefit obligation	66,000	38,000
Expected return on plan assets	-	-
Past service cost	-	-
Net actuarial losses recognized in the year	130,000	124,000
Total included in 'Employee Benefit Expenses'	643,000	417,000

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

Particulars	As at 31 March 2016	As at 31 March 2015
Liability at the beginning of the year	848,000	107,000
Interest cost	66,000	38,000
Current service cost	447,000	255,000
Transfer In/(Out)	-	324,000
Actuarial loss on obligations	130,000	124,000
- Difference due to change in assumptions	-	-
- Experience Adjustment of plan asset	-	-
Liability at the end of the year	14,91,000	848,000

Amount recognised in the Balance Sheet:

Particulars	As at 31 March 2016	As at 31 March 2015
Liability at the end of the year	1,491,000	848,000
Fair value of plan assets at the end of the year	-	-
Experience adjustment on plan liabilities (Gain)/Loss	94,000	31,000
Liability/(Asset) recognised in the Balance Sheet	1,491,000	848,000
Of which ,Short term Provision	162,000	110,000



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

Principal actuarial assumptions at the balance sheet date:

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

2.32 Cost sharing and other recoveries:

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.

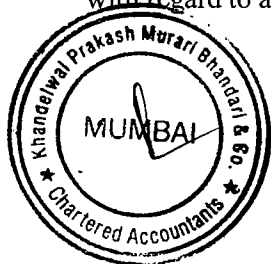
2.33 The setting up of the refinery plant of the Company at Naroda in Ahmedabad has been completed during the financial year 2014-2015 and the trial run was completed on 10th March 2015. Accordingly, all the refinery assets namely lease hold land, factory building, plant and machinery was capitalised on 10th March 2015. 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) during the financial year 2014-2015. The Plant have installed annual capacity of 70 MT of Gold and 200 MT of Silver.

2.34 Purchase Commitment:

The Company has issued purchase order for commodity stocks worth Rs. Nil (Previous Year: 48,20,14,768) for which goods are pending to be received.

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.



Edelweiss Metals Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Sr. No.	Name of currency future	No. of contracts	Number of units involved
1	Short position – USD	862	862,000

Open interest in currency futures as at 31 March 2015: Nil

2.37 Previous year comparatives

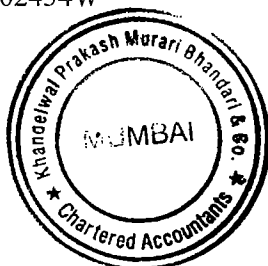
Previous year's figures have been regrouped and rearranged wherever necessary to confirm to current year's presentation / classification.

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



For and on behalf of the Board of Directors



Pushendra Dodia
Director
DIN : 05212966



Deepak Mundra
Director
DIN : 6733120

Pradeep Nagori
Dy. Chief Executive officer

Mumbai
29 April 2016

Mumbai
29 April 2016
