

Edelweiss Integrated Commodity Management Limited

Financial Statements
together with Auditors' Report
for the period
24 July 2014 to 31 March 2015

Edelweiss Integrated Commodity Management Limited

Financial statements together with Auditors' Report

for the period

24 July 2014 to 31 March 2015

Contents

Auditors' report

Balance sheet

Statement of profit and loss

Cash flow statement

Notes to financial statements

B S R & Associates LLP

Chartered Accountants

1st Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 3989 6000
Fax +91 (22) 3090 2511

Independent Auditors' Report

To the Members of Edelweiss Integrated Commodity Management Limited

Report on the financial statements

We have audited the accompanying financial statements of Edelweiss Integrated Commodity Management Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss for the period 24 July 2014 (date of incorporation) to 31 March 2015, the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for 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.

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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 controls system over financial reporting and the operating effectiveness of such controls.

Independent Auditors' Report (Continued)

Edelweiss Integrated Commodity Management Limited

Auditors' responsibility (continued)

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its loss and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

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

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- 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) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations as at 31 March 2015.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

Independent Auditors' Report (Continued)
Edelweiss Integrated Commodity Management Limited

Report on Other Legal and Regulatory Requirements (continued)

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No.: 116231W/W-100024



N Sampath Ganesh

Partner

Membership No.: 042554

Mumbai
14 May 2015

Edelweiss Integrated Commodity Management Limited

Annexure to the Independent Auditors' Report

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii. (a) The Company's management has conducted physical verification of stock-in-trade at reasonable intervals.
(b) The procedures for the physical verification of stock-in-trade followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of stock-in-trade. No material discrepancies have been noticed on physical verification of stock-in-trade.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- 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 stock-in-trade and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanation given to us, there is no continuing failure to correct major weaknesses in internal control system.
- v. The Company has not accepted any deposits from public.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the activities conducted/ services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, value added tax and other material statutory dues have generally been regularly deposited during the period by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and cess as at 31 March 2015. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, value added tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

Edelweiss Integrated Commodity Management Limited

Annexure to the Independent Auditors' Report (*continued*)

- (b) According to the information and explanations given to us, there are no material dues of income tax, service tax and value added tax which have not been deposited with the appropriate authorities on account of any dispute.
 - (c) According to the information and explanations given to us, there are no dues of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder which is required to be transferred.
- viii. The Company was incorporated on 24 July 2014. As a period of five years has not elapsed since the date of incorporation at the balance sheet date, the provisions of paragraph 3 (viii) of the Order are not applicable to the Company.
- ix. In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to any financial institution, bank or debenture holders during the period
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions. Thus, paragraph 3 (x) of the Order is not applicable.
- xi. According to the information and explanations given to us, the Company has not taken any term loans during the period. Thus, paragraph 3 (xi) of the Order is not applicable.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W-100024

N Sampath Ganesh

Partner

Membership No: 042554

Mumbai
14 May 2015

Edelweiss Integrated Commodity Management Limited

Balance Sheet

(Currency : Indian rupees)

	Note No.	As at 31 March 2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2.1	1,00,05,00,000
Reserves and surplus	2.2	(1,69,814)
		<u>1,00,03,30,186</u>
Non-current liabilities		
Long-term provisions	2.3	22,69,000
Current liabilities		
Short-term borrowings	2.4	1,73,64,44,324
Trade payables	2.5	6,73,59,548
Other current liabilities	2.6	86,02,31,651
Short-term provisions	2.7	3,63,000
TOTAL		<u><u>3,66,69,97,709</u></u>
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	2.8	2,86,54,022
Intangible assets		1,72,96,606
Capital work-in-progress		55,77,120
Non-current investments	2.9	25,00,00,000
Deferred tax assets (net)	2.10	15,45,598
Long-term loans and advances	2.11	1,93,21,598
Other non-current assets	2.12	1,30,29,000
		<u>33,54,23,944</u>
Current assets		
Stock-in-trade	2.13	2,87,82,99,344
Trade receivables	2.14	37,47,44,412
Cash and bank balances	2.15	1,31,30,656
Short-term loans and advances	2.16	6,53,31,301
Other current assets	2.17	68,052
		<u>3,33,15,73,765</u>
TOTAL		<u><u>3,66,69,97,709</u></u>

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024



N Sampath Ganesh

Partner

Membership No: 042554

For and on behalf of the Board of Directors

Santosh Dadheech

Executive Director

DIN: 00196204

Pradeep Nagori

Director

DIN: 03291315

Swati Sharma

Company Secretary

Manish Jethwa

Chief Financial Officer

Mumbai

14 May 2015

Edelweiss Integrated Commodity Management Limited

Statement of Profit and Loss

(Currency : Indian rupees)

	Note No.	For the period 24 July 2014 to 31 March 2015
Revenue from operations		
Fee and warehouse income	2.18	17,17,68,473
Interest income	2.19	9,30,46,103
Sale of commodities		39,48,72,794
Other income	2.20	7,02,037
Total Revenue		66,03,89,407
Purchase of stock-in-trade		3,26,08,24,353
Changes in stock-in-trade		(2,87,82,99,344)
Employee benefit expenses	2.21	10,65,71,136
Finance costs	2.22	2,40,25,251
Depreciation and amortisation	2.8	68,62,304
Other expenses	2.23	14,06,51,457
Total expenses		66,06,35,157
Loss before tax		(2,45,750)
Tax expense:		
Current tax		14,69,662
Deferred tax (net)		(15,45,598)
Loss after tax		(1,69,814)
Earnings per equity share (Face value Rs. 10 each) Basic and diluted	2.28	(0.002)

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024



N Sampath Ganesh

Partner

Membership No: 042554

For and on behalf of the Board of Directors



Santosh Dadheech
Executive Director
DIN: 00196204



Pradeep Nagori
Director
DIN: 03291315



Swati Sharma
Company Secretary



Manish Jethwa
Chief Financial Officer

Mumbai
14 May 2015

Edelweiss Integrated Commodity Management Limited

Cash Flow Statement

(Currency : Indian rupees)

For the period
24 July 2014
to 31 March 2015

A Cash flow from operating activities

Loss before tax	(2,45,750)
Adjustments for	
Depreciation and amortisation	68,62,304
Provision for gratuity	9,81,000
Provision for compensated leave absences	16,51,000
Interest income	(3,21,68,789)
Interest expense	2,38,52,014
Operating cash flow before working capital changes	9,31,779
Add/(Less): adjustments for working capital changes	
Increase in trade receivables	(37,47,44,412)
Increase in stock-in-trade	(2,87,82,99,344)
Increase in loans and advances	(7,47,80,810)
Increase in other current assets	(1,31,00,289)
Increase in current liabilities and provisions	92,75,91,199
Cash used in operations	(2,41,24,01,877)
Income taxes paid	(1,06,73,025)
Net cash used in operating activities - A	(2,42,30,74,902)

B Cash flow from investing activities

Purchase of fixed assets (including capital work-in progress)	(5,83,90,052)
Short term loans and advances given (net)	(6,68,726)
Interest received	3,21,72,026
Purchase of investments	(25,00,00,000)
Net cash used in investing activities - B	(27,68,86,752)

C Cash flow from financing activities

Proceeds from short term loans (net)	1,73,64,44,324
Proceeds from issue of share capital	1,00,05,00,000
Interest paid	(2,38,52,014)
Net cash generated from financing activities - C	2,71,30,92,310

Net increase in cash and cash equivalents (A+B+C) **1,31,30,656**

Cash and cash equivalents as at the beginning of the period -

Cash and cash equivalents as at the end of the period (Refer note 2.15) **1,31,30,656**

Notes:

(i) Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For BSR & Associates LLP

Chartered Accountants

Firm Registration No. 116231W/W-100024



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai

14 May 2015

For and on behalf of the Board of Directors

Santosh Dadheech

Executive Director

DIN: 00196204

Swati Sharma

Company Secretary

Pradeep Nagori

Director

DIN: 03291315

Manish Jethwa

Chief Financial Officer

Edelweiss Integrated Commodity Management 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 Integrated Commodity Management Limited

Notes to the financial statements (Continued)

1.4 Revenue recognition

- Fee income is accounted on accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer.
- Interest income is recognised on accrual basis.
- Warehouse income is recognised on accrual basis by reference to the agreements entered.

1.5 Fixed assets and depreciation

Tangible fixed assets and Capital work in progress

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

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

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the estimated useful lives of the respective fixed assets which are as per the provisions of Part C of 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
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 improvements are amortised on a straight-line basis over the estimated useful lives of the assets or the period of lease, whichever is shorter.

Intangible fixed assets

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

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



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

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.

1.7 Stock in trade

The commodity stocks are valued at weighted average cost or net realisable value, whichever is lower.

1.8 Investments

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

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

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

1.9 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.



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

1.10 Employee benefits

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

Provident fund

The Company contributes to a 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.

1.11 Operating lease

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



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

1.12 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 period by the weighted average number of equity shares outstanding during the period.

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 period by 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.

1.13 Taxation

Income-tax expense comprises 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 period).

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 Integrated Commodity Management Limited

Notes to the financial statements (Continued)

1.14 Provisions and contingencies

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

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

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



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

As at
31 March 2015

2.1 Share capital

Authorised:

110,000,000 equity shares of Rs. 10 each	1,10,00,00,000
	<u>1,10,00,00,000</u>

Issued, Subscribed and Paid up:

100,050,000 equity shares of Rs. 10 each, fully paid up	1,00,05,00,000
	<u>1,00,05,00,000</u>

Movement in share capital:

	31 March 2015	
	Number of shares	Amount
Equity shares of Rs. 10 each fully paid		
Outstanding at the beginning of the period	-	-
Issued during the period	10,00,50,000	1,00,05,00,000
Outstanding at the end of the period	10,00,50,000	1,00,05,00,000

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

	31 March 2015	
	Number of shares	Percentage Shareholding
Equity shares		
Edelweiss Commodities Services Limited, the holding company and its nominees	10,00,50,000	100%

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

	31 March 2015	
	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid		
Edelweiss Commodities Services Limited, the holding company and its nominees	10,00,50,000	100%

Terms/rights attached to equity shares:

The Company has only one class of Equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

As at
31 March 2015

2.2 Reserves and surplus

Surplus / (Deficit) in the statement of profit and loss	
Loss for the period	(1,69,814)
	<u>(1,69,814)</u>

2.3 Long-term provisions

Provision for employee benefits	
Gratuity	9,76,000
Compensated leave absences	12,93,000
	<u>22,69,000</u>

2.4 Short-term borrowings

Unsecured	
Loans and advances from a related party	1,73,64,44,324
(Repayable on demand, at variable rates of interest)	
	<u>1,73,64,44,324</u>

2.5 Trade payables

Trade payables	6,73,59,548
(includes sundry creditors and provision for expenses)	
	<u>6,73,59,548</u>



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

As at
31 March 2015

2.6 Other current liabilities

Interest accrued and due on borrowings	42,98,465
Other Payables	
Accrued salaries and benefits	2,30,25,176
Withholding tax, service tax and other taxes payable	1,40,99,644
Advances from customers	81,14,41,307
Retention money payable	1,28,682
Others	72,38,377
	<u>86,02,31,651</u>

2.7 Short-term provisions

Provision for employee benefits	
Gratuity	5,000
Compensated leave absences	3,58,000
	<u>3,63,000</u>



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.8 Fixed assets

Description of Assets	Gross Block			Depreciation and amortisation		Net Block
	As at 24 July 2014	Additions during the period*	Deductions during the period*	As at 24 July 2014	Charge for the period*	As at 31 March 2015
Tangible assets						
Plant and machinery	-	78,31,684	-	-	5,19,275	73,12,409
Furniture and fixtures	-	3,51,687	-	-	18,248	3,33,439
Vehicles	-	30,84,459	-	-	1,39,073	29,45,386
Office equipment	-	78,71,544	-	-	11,98,227	66,73,317
Computers and networking	-	1,36,01,035	-	-	29,04,895	1,06,96,140
Leasehold Improvements	-	7,53,566	-	-	60,235	6,93,331
Total : A	-	3,34,93,975	-	-	48,39,953	2,86,54,022
Intangible assets						
Computer Software	-	1,93,18,957	-	-	20,22,351	1,72,96,606
Total : B	-	1,93,18,957	-	-	20,22,351	1,72,96,606
Grand Total [A+B]	-	5,28,12,932	-	-	68,62,304	4,59,50,628

* Period above refers to 24 July 2014 to 31 March 2015.



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

		As at 31 March 2015		
		Face value	Quantity	Amount
2.9	Non-current investments			
	Others (unquoted)			
	Investments in preference shares of other companies (fully paid up)			
	Non-cumulative non-convertible redeemable			
	7% Edelweiss Broking Limited	10	2,50,00,000	25,00,00,000
				<u>25,00,00,000</u>
	Aggregate of unquoted investment			
	At carrying value			25,00,00,000



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

As at
31 March 2015

2.10 Deferred tax assets

Deferred tax liabilities

Tax effect of the timing differences on account of:

Difference between book and tax depreciation 22,25,817

Deferred tax assets

Disallowances under section 43B of the Income Tax Act, 1961 8,13,288

Others 29,58,127

37,71,415

Deferred tax assets (net)

15,45,598

2.11 Long-term loans and advances (Unsecured, considered good)

Security deposits 1,01,18,235

Other loans and advances

Advance income tax 92,03,363

(Net of provision for tax Rs. 1,469,662)

1,93,21,598

2.12 Other non-current assets

Long term deposits with banks (Refer note 2.27) 1,30,29,000

1,30,29,000



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

As at
31 March 2015

2.13 Stock-in-trade (Refer note 2.29)	
Commodities	
Agricultural products	2,87,82,99,344
	2,87,82,99,344
2.14 Trade receivables (Unsecured, considered good)	
Outstanding for a period exceeding six months	-
Other debts	37,47,44,412
	37,47,44,412
2.15 Cash and bank balances	
Cash and Cash Equivalents	
Balances with banks	
in current accounts	1,29,03,652
Cash in hand	2,27,004
	1,31,30,656
2.16 Short-term loans and advances (Unsecured, considered good)	
Loans and advances to related parties (Refer note 2.25)	6,68,726
Other loans and advances	
Security deposits	1,70,37,076
Prepaid expenses	35,78,410
Loans and advances to employees	50,81,688
Vendor advances	82,48,134
Input tax credit	3,07,17,267
	6,53,31,301
2.17 Other current assets	
Accrued interest on fixed deposits	64,815
Accrued interest on loans given	3,237
	68,052



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

For the period
24 July 2014
to 31 March 2015

2.18 Fee and warehouse Income

Advisory and other fees	7,35,90,220
Warehouse charges	9,81,78,253
	<u>17,17,68,473</u>

2.19 Interest income

Interest income on loan	3,17,45,711
Interest income on fixed deposits	4,23,078
Interest income on overdue accounts	6,08,77,314
	<u>9,30,46,103</u>

2.20 Other income

Foreign exchange gain	5,29,385
Miscellaneous income	1,72,652
	<u>7,02,037</u>

2.21 Employee benefit expenses

Salaries and wages (Refer note 2.34)	9,93,38,615
Contribution to provident and other funds (Refer note 2.34)	48,26,775
Staff welfare expenses	24,05,746
	<u>10,65,71,136</u>

2.22 Finance costs

Interest on loan from holding company	2,38,52,014
Finance and bank charges	1,73,237
	<u>2,40,25,251</u>



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

For the period
24 July 2014
to 31 March 2015

2.23 Other expenses

Advertisement and business promotion	4,49,694
Auditors' remuneration (Refer note below)	7,15,000
Commission and brokerage	5,11,300
Communication	22,21,211
Computer expenses	9,76,606
Clearing and forwarding charges	18,22,965
Electricity charges (Refer note 2.35)	19,70,084
Insurance	19,91,995
Legal and professional fees	62,39,107
Membership and subscription	1,87,775
Office expenses	40,69,122
Postage and courier	1,17,762
Printing and stationery	25,70,065
Rates and taxes	10,50,115
Rent (Refer note 2.32 and 2.35)	7,40,71,492
Repairs and maintenance - others	7,19,099
ROC expenses	1,05,62,700
Service tax expenses	67,08,854
Stamp duty	2,65,497
Transportation charges	10,82,827
Travelling and conveyance	85,38,768
Warehousing charges	40,63,893
Dunnage and fumigation expense	86,36,556
Miscellaneous expenses	11,08,970
	<u>14,06,51,457</u>

Auditors' remuneration:

As auditor	7,15,000
	<u>7,15,000</u>



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.24 Segment reporting:

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

Segment	Activity covered
Agency business	Warehouse and advisory business.
Capital based business	Supply chain management and interest income.

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

Secondary Segment

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

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

S. No	Particulars	For the period 24 July 2014 to 31 March 2015
i)	Segment Revenue	
	a) Capital based business	488,620,934
	b) Agency Business	171,768,473
	c) Unallocated	-
	Total	660,389,407
	Less : Inter Segment Revenue	-
	Total Income	660,389,407
ii)	Segment Results	
	a) Capital based business	(50,209,159)
	b) Agency Business	49,963,409
	c) Unallocated	-
	Loss before tax	(245,750)
	Less: Provision for tax	(75,936)
	Loss after tax	(169,814)



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.24 Segment reporting (Continued)

	Particulars	As at 31 March 2015
iii)	Segment Assets	
	a) Capital based business	3,187,442,326
	b) Agency Business	225,956,422
	c) Unallocated	253,598,961
	Total	3,666,997,709
iv)	Segment Liabilities	
	a) Capital based business	2,646,753,702
	b) Agency Business	19,913,821
	c) Unallocated	-
	Total	2,666,667,523
v)	Capital Expenditure (Including Capital Work-In-Progress)	
	a) Capital based business	25,279,184
	b) Agency Business	33,110,868
	c) Unallocated	-
	Total	58,390,052
vi)	Depreciation and Amortisation	
	a) Capital based business	2,885,131
	b) Agency Business	3,977,173
	c) Unallocated	-
	Total	6,862,304
vii)	Significant Non-Cash Expenses Other than Depreciation and Amortisation	
	a) Capital based business	1,947,412
	b) Agency Business	684,588
	c) Unallocated	-
	Total	2,632,000



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.25 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”:

Sr No.	Particulars
A.	Name of the related parties by whom control is exercised
	Edelweiss Commodities Services Limited, the holding company
	Edelweiss Financial Services Limited, the ultimate holding company
B.	Fellow Subsidiaries with whom the Company has transactions
	Edel Commodities Limited
	EFSL Comtrade Limited
	Edel Commodities Trading Limited
	EFSL Commodities Limited
	Edelweiss Web Services Limited
	Ecap Equities Limited
	ECL Finance Limited
	Edelweiss Global Wealth Management Limited
	EC Commodity Limited
	Edel Investments Limited
	Edel Land Limited
	Edelweiss Capital Markets Limited
C.	Key Management Personnel with whom transactions have taken place
	Mr. Santosh Dadheech – Executive Director (from Feb 26, 2015)



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.25 Related party disclosure (continued)

Nature of Transaction	Name of the related party	For the period 24 July 2014 31 March 2015
Equity shares issued	Edelweiss Commodities Services Limited	1,00,05,00,000
Loans taken from	Edelweiss Financial Services Limited	1,73,64,44,324
Loans given to	Edelweiss Commodities Services Limited	99,90,00,000
Repayment of loans by	Edelweiss Commodities Services Limited	99,84,56,274
Interest paid on loan	Edelweiss Financial Services Limited	2,38,52,014
Interest received on loans given to	Edelweiss Commodities Services Limited	3,17,45,711
Cost reimbursements paid to	Edelweiss Commodities Services Limited Edelweiss Financial Services Limited	1,19,88,296 1,80,394
Cost reimbursements received from	Edelweiss Commodities Services Limited	18,38,958
Processing fees paid to	Edelweiss Web Services Limited	1,23,960
Warehouse income received from	EC Commodity Limited Ecap Equities Limited Edel Commodities Limited Edel Commodities Trading Limited Edel Investment Limited Edel Land Limited Edelweiss Capital Markets Limited Edelweiss Commodities Services Limited Edelweiss Global Wealth Management Limited Edelweiss Web Services Limited EFSL Commodities Limited EFSL Comtrade Limited	1,20,270 2,51,899 87,331 8,39,450 1,02,873 2,48,096 1,47,333 4,77,61,957 32,296 88,772 5,85,606 1,58,659
Remuneration paid to KMP's	Santosh Dadheech	10,47,118
Collateral management fees received from	ECL Finance Limited	14,69,432



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.25 Related party disclosure (continued)

Balances with related parties as on 31 March 2015

Nature of Transaction	Name of the related party	As at 31 March 2015
Short term borrowings		
Short term loans taken	Edelweiss Financial Services Limited	1,73,64,44,324
Trade payables		
Trade payables	Edelweiss Commodities Services Limited	33,35,979
	Edelweiss Financial Services Limited	1,35,684
	Edelweiss Web Services Limited	1,26,886
	Edelweiss Financial Services Limited	3,03,205
Other liabilities		
Interest accrued and due on borrowings	Edelweiss Financial Services Limited	42,98,465
Investments		
Purchase of preference shares from	Edelweiss Commodities Services Limited	25,00,00,000
Trade receivables		
	Edelweiss Web Services Limited	1,94,873
	EC Commodity Limited	1,20,270
	ECap Equities Limited	2,51,899
	Edel Commodities Limited	87,331
	Edel Commodities Trading Limited	8,39,450
	Edel Investments Limited	1,02,873
	Edel Land Limited	2,48,096
	Edelweiss Capital Markets Limited	1,47,333
	Edelweiss Commodities Services Limited	4,96,00,915
	Edelweiss Global Wealth Management Limited	32,296
	EFSL Commodities Limited	5,85,606
	EFSL Comtrade Limited	1,58,659
	ECL Finance Limited	16,51,054
Short term loans and advances given		
	Edelweiss Commodities Services Limited	5,43,726
	Edel Commodities Trading Limited	1,23,000
	ECL Finance Limited	2,000
Other current assets		
Accrued interest on loans given	Edelweiss Commodities Services Limited	3,237



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 6,811,000.

Contingent liabilities (to the extent not provided for): Rs. Nil

2.27 Encumbrances on fixed deposits held by the Company:

Sr. No	Particulars
i)	Fixed deposits aggregating to Rs. 4,914,000 have been pledged with Agriculture Produce Market Committee for mandi license.
ii)	Fixed deposits aggregating to Rs. 920,000 have been pledged with sales tax authorities for meeting deposit requirements.
iii)	Fixed deposits aggregating to Rs. 7,195,000 have been pledged with Customs authorities for Warehouse License.

2.28 Earnings per share:

In accordance with Accounting Standard 20 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:		
Sr. No	Particulars	For the period 24 July 2014 to 31 March 2015
i)	Loss after tax (as per statement of profit and loss) (a)	(169,814)
ii)	Calculation of weighted average number of equity shares of Rs.10 each:	
	Number of shares outstanding at the beginning of the period	-
	Number of Shares issued during the period	100,050,000
	Total number of equity shares outstanding at the end of the period	100,050,000
	Weighted average number of equity shares outstanding during the period (based on the date of issue of shares) (b)	83,250,000
iii)	Basic and diluted earnings / (loss) per share (Face value Rs 10) (a)/(b)	(0.002)



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.29 Details of stock-in-trade:

Commodities:

Particulars	For the period 24 July 2014 to 31 March 2015
(a) Opening Stock	-
(b) Purchase	3,260,824,353
(c) Sales	394,872,793
(d) Closing Stock	2,878,299,344
(e) Profit on sale of Commodities (c + d - a - b)	12,347,784

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

2.30 Earnings in foreign currency:

Sr. No	Particulars	For the period 24 July 2014 to 31 March 2015
(a)	F.O.B. value of Exports	37,237,421

2.31 Expenditure in foreign currency from India:

Sr. No	Particulars	For the period 24 July 2014 to 31 March 2015
(a)	Foreign travel	19,415
(b)	Membership and subscription	28,821
(c)	Legal and professional	108,517

2.32 Operating leases:

The Company has taken warehouses and office premises under operating lease agreements. Gross rental expenses for the period ended from 24 July 2014 to 31 March 2015 aggregated to Rs. 62,689,406/- (Refer Note - 2.23) which has been included under the head Other expenses - Rent in the statement of profit and loss.

Non-cancellable operating lease obligation:

Sr. No	Particulars	Amount Rs.
1	Not later than one year	157,721,450
2	Later than one year but not later than five years	112,494,131
3	Later than five years	-



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.33 Details of dues to micro, small and medium enterprises:

Trade Payables includes Rs. Nil payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

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

A) Defined contribution plan (Provident fund):

Amount of Rs. 3,970,775/- is recognized as income and expense respectively and included in "Employee benefit expenses" – Note 2.21 in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

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

Statement of profit and loss:

Net employee benefit expenses

Particulars	For the period 24 July 2014 to 31 March 2015
Current service cost	792,000
Interest Cost	11,000
Transfer In / (Out)	125,000
Expected return on plan assets	-
Past Service cost	-
Net actuarial losses recognized in the period	53,000
Total included in 'Employee Benefit Expenses'	981,000

Balance Sheet:

Amount recognised in the Balance Sheet:

Particulars	As at 31 March 2015
Liability at the end of the year	981,000
Fair value of plan assets at the end of the year	-
Amount in Balance Sheet – Liability	981,000



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

Amount recognised in the Profit & Loss:

Particulars	For the period 24 July 2014 to 31 March 2015
Current Service Cost	792,000
Interest Cost	11,000
Actuarial Loss / gain	53,000
Employer Expense	856,000

Experience Adjustment:

Particulars	As at 31 March 2015
Defined Benefit Obligation	981,000
Fair Value of Plan Assets	-
Surplus / (Deficit)	(981,000)
On Plan Liabilities: (Gain)/Loss	-
On Plan Assets: (Gain)/(Loss)	-
Estimated contribution for the next year	-

Principal actuarial assumptions at the balance sheet date:

Particulars	For the period 24 July 2014 to 31 March 2015
Discount rate	7.8%
Salary escalation	7%
Employee attrition rate	13% to 25%

2.35 Cost sharing and other recoveries:

Edelweiss Commodities Services Limited, being the holding company incurs expenditure 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 2.23 in the statement of the profit and loss are inclusive of the reimbursements.



Edelweiss Integrated Commodity Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.36 First year of operation:

The Company presents its first financial statements which cover a period from the date of its incorporation till the balance sheet date and hence previous year's figures are not available for comparative presentation. The financial statements have been prepared for the period from 24 July 2014 to 31 March 2015.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No. 116231 W/W-100024



N Sampath Ganesh

Partner

Membership No: 042554

For and on behalf of the Board of


Santosh Dadheech

Executive Director

DIN: 00196204


Pradeep Nagori

Director

DIN: 03291315


Swati Sharma

Company Secretary


Manish Jethwa

Chief Financial Officer

Mumbai

14 May 2015