

EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Financial Statements
together with Auditors' Report
for the year ended 31 March 2017

Independent Auditors' Report

To
The Members of EFSL Trading Limited
(Formerly known as EFSL Commodities Limited)

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017, and its profit and its cash flows for the year ended on that date.



B - 46, 3rd Floor, Pravasi Estate, V N Road, Goregaon (E), Mumbai - 400 063.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
 - e. on the basis of written representations received from the Directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, from being appointed as a director in terms of section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. the Company did not have any holdings or dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 – Refer Note 2.42.

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



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 15 May 2017

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of EFSL Trading Limited (Formerly known as EFSL Commodities Limited) ('the Company') on the financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities and warehouse receipts in respect of commodities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (iii) As informed, during the year the Company has not granted any fresh loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In respect of unsecured interest bearing loan granted in earlier year to one company covered in the register maintained under Section 189 of the Companies Act, 2013 which have been repaid during the year:
 - (a) In our opinion and according to the information and explanation given to us, the terms and conditions of above loan are prima facie not prejudicial to the interest of the Company.
 - (b) The borrower has been regular in repayment of the principal and payment of interest as stipulated.
 - (c) There is no overdue amount in respect of above loan granted to a company listed 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 are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the

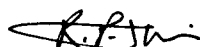


Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, service tax, duty of excise and duty of custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, and cess which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 15 May 2017

Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **EFSL Trading Limited ("the Company")** (Formerly known as **EFSL Commodities Limited**) as of 31 March 2017 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


R. P. Soni

Partner
Membership No.: 104796



Place: Mumbai
Date: 15 May 2017

EFSL Trading Limited
(Formerly known as EFSL Commodities Limited)

Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	10,100,000	2,700,000
Reserves and surplus	2.2	(44,203,099)	(66,509,782)
		(34,103,099)	(63,809,782)
Non-current liabilities			
Deferred tax liabilities (net)	2.3	-	3,370,607
Long-term provisions	2.4	2,551,841	173,000
Current liabilities			
Short-term borrowings	2.5	1,522,615,344	1,124,922,129
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.40	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.6	26,033,212	22,618,469
Other current liabilities	2.7	27,166,776	25,007,223
Short-term provisions	2.8	427,000	71,390
TOTAL		1,544,691,074	1,112,353,036
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.9	5,954,024	4,575,577
Intangible assets	2.9	1,651,685	-
Capital work-in-progress		6,005,842	-
Non-current investments	2.10	10,000	-
Deferred tax assets (net)	2.3	17,891,733	-
Long-term loans and advances	2.11	3,711,729	292,653,757
Other non-current assets	2.12	12,258,090	-
		47,483,103	297,229,334
Current assets			
Current investments	2.13	19,002,998	-
Stock-in-trade	2.14	1,000,000,000	-
Trade receivables	2.15	111,630,134	2,088,230
Cash and cash equivalents	2.16	684,483	156,379
Short-term loans and advances	2.17	37,428,395	532,412,206
Other current assets	2.18	328,461,961	280,466,887
		1,497,207,971	815,123,702
TOTAL		1,544,691,074	1,112,353,036

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

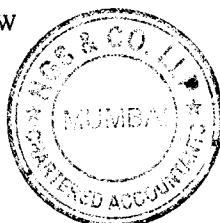
As per our report of even date attached.

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



R. P. Soni
Partner
Membership No.: 104796

Mumbai
15 May 2017



For and on behalf of the Board of Directors



Kaushik Karani
Director
DIN 02020023

Mumbai
15 May 2017


Pradeep Nagori
Director
DIN 03291315

EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Statement of Profit and Loss

(Currency: Indian rupees)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Income from treasury operations	2.19	127,136,117	(959,062)
Sale of commodities		98,544,463	983,407,790
Other operating revenue	2.20	178,261,152	220,707,062
Other income	2.21	47,390	88,553
Total revenue		403,989,122	1,203,244,343
Expenses			
Purchases of commodities		98,565,298	970,241,758
Employee benefit expenses	2.22	78,448,216	14,515,444
Finance costs	2.23	132,018,171	245,271,437
Depreciation and amortization expenses	2.9	5,867,753	963,661
Other expenses	2.24	88,045,341	42,790,079
Total expenses		402,944,779	1,273,782,379
Profit/(loss) before tax		1,044,343	(70,538,036)
Tax expense:			
Income tax [Including excess provision for earlier year Rs. Nil ; (Previous year: Rs. 224,007)]		-	(224,007)
Minimum alternate tax credit entitlement		-	(30,396,195)
Deferred tax (benefit)/charge		(21,262,340)	3,593,032
Profit/(loss) for the year		22,306,683	(43,510,866)
Earnings per equity share: (Face value of Rs. 10 each) Basic and diluted	2.35	54.69	(161.15)

Significant accounting policies and notes to the financial statements.

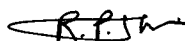
1 & 2

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No.: 119850W



R. P. Soni

Partner

Membership No.: 104796

Mumbai

15 May 2017



For and on behalf of the Board of Directors



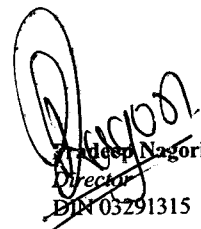
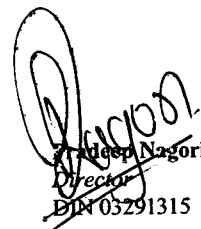
Kaushik Karani

Director

DIN 02020023

Mumbai

15 May 2017



Kaushik Karani
Director
DIN 03291315

EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A Cash flow from operating activities		
Profit/(loss) before tax	1,044,343	(70,538,036)
Adjustments for:		
Interest income	(61,063,288)	(209,021,311)
Provision for compensated leave absences and gratuity	2,781,841	(435,000)
Share of profit from partnership firm	(19,002,998)	
Depreciation and amortisation expenses	5,867,753	963,661
Interest expense	132,017,569	244,662,952
Operating cash flow before working capital changes	61,645,220	(34,367,734)
Adjustments for:		
(Increase)/decrease in trade receivables	(109,541,904)	299,303
Increase in stock-in-trade	(1,000,000,000)	-
Increase in loans and advances	(3,907,411)	(1,282,168)
Increase in other assets	(60,495,380)	(7,908,082)
Increase in current liabilities and provisions	111,114	19,306,230
Cash used in operations	(1,112,188,361)	(23,952,451)
Income taxes paid	(2,214,140)	(26,528,443)
Net cash used in operating activities - A	(1,114,402,501)	(50,480,894)
B Cash flow from investing activities		
Purchase of fixed assets	(14,903,727)	(5,531,494)
Contribution in partnership firm	(10,000)	-
Repayment received of unsecured loans given (net) (refer note 2)	790,000,000	2,500,000,000
Interest received	61,305,504	218,998,116
Net cash generated from investing activities - B	836,391,777	2,713,466,622
C Cash flow from financing activities		
Proceeds from issue of share capital	7,400,000	-
Proceeds from/(repayment of) unsecured borrowings (net) (refer note 2)	397,693,215	(2,408,897,250)
Interest paid	(126,554,387)	(257,654,879)
Net cash generated from/(used in) financing activities - C	278,538,828	(2,666,552,129)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	528,104	(3,566,401)
Cash and cash equivalent as at the beginning of the year	156,379	3,722,780
Cash and cash equivalent as at the end of the year (refer note 1)	684,483	156,379

Notes:

1 Cash and cash equivalents include the following: (refer note 2.16)

Balances with scheduled banks:

In current accounts

684,483	156,379
684,483	156,379

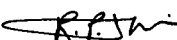
2 Net figures have been reported on account of volume of transaction.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No.: 119850W



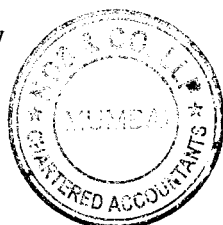
R. P. Soni

Partner

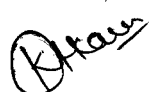
Membership No.: 104796

Mumbai

15 May 2017



For and on behalf of the Board of Directors



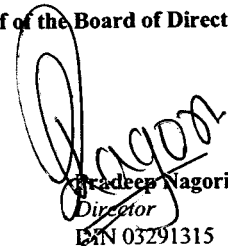
Kaushik Karani

Director

DIN 02020023

Mumbai

15 May 2017



Pradeep Nagori

Director

DIN 03291315

EFSL Trading Limited

(formerly known as EFSL Commodities Limited)

Notes to the financial statements for the year ended 31 March 2017

(Currency: Indian rupees)

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), (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 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.



EFSL Trading Limited

(formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

1.4 Revenue recognition

- Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on derivative instruments.
 - a) Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - b) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- 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.
- Dividend income is recognised when the right to receive the payment is established.
- Fee income is accounted for on an accrual basis in accordance with the terms and conditions of contracts entered into between the Company and the counterparty.
- Profit / loss from share in partnership firm is accounted for once the amount of the share of profit / loss is ascertained and credited / debited to the Company's account in the books of the partnership firm.

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.

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

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the 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:



EFSL Trading Limited

(formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

Class of asset	Estimated useful life
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

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 is amortised over a period of 3 years based on its estimated useful life

1.6 Stock-in-trade

- The commodity stocks are valued at weighted average cost or net realisable value, whichever is lower.
- The securities acquired with the intention of short-term holding and as trading positions are considered as stock in trade and disclosed as current assets.
- The securities held as stock in trade under current assets are valued at lower of weighted average cost or market value. In case of units of mutual funds, net asset value is considered as fair value.

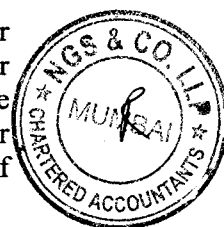
1.7 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.8 Earnings per share

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

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



EFSL Trading Limited

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Notes to the financial statements (Continued)

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

1.9 Taxation

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

Current tax

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

Deferred tax

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

Minimum alternative tax (MAT) Credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

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.



EFSL Trading Limited

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Notes to the financial statements (Continued)

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

1.10 Employee benefits (Continued)

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

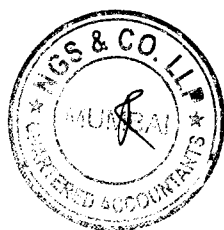
The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated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

1.11 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.



EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
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2.1 Share capital

Authorised

1,250,000 (Previous year: 300,000) equity shares of Rs. 10 each	12,500,000	3,000,000
	12,500,000	3,000,000

Issued, subscribed and paid up:

1,010,000 (Previous year: 270,000) equity shares of Rs. 10 each, fully paid-up	10,100,000	2,700,000
	10,100,000	2,700,000

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

Movement of share Capital

	As at 31 March 2017		As at 31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	270,000	2,700,000	270,000	2,700,000
Issued during the year	740,000	7,400,000	-	-
Outstanding at the end of the year	1,010,000	10,100,000	270,000	2,700,000

Terms/rights attached to equity shares:

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

2.2 Reserves and surplus

Securities premium account

Opening balance	8,800,000	8,800,000
Add : Additions during the year	-	-
	8,800,000	8,800,000

Deficit in the statement of profit and loss

Opening balance	(75,309,782)	(31,798,916)
Add: Profit/(loss) for the year	22,306,683	(43,510,866)
	(53,003,099)	(75,309,782)
	(44,203,099)	(66,509,782)



EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As At 31 March 2017	As At 31 March 2016
2.3 Deferred tax		
Deferred tax assets		
Tax effect of the timing differences on account of:		
Disallowances under section 43B of the Income Tax Act, 1961	920,462	60,873
Unrealised loss	17,437,504	-
Others	35,350	-
	18,393,316	60,873
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	501,583	210,754
Unrealised gain on derivatives	-	3,220,726
	501,583	3,431,480
Deferred tax liabilities (net)	-	3,370,607
Deferred tax assets (net)	17,891,733	-
2.4 Long-term provisions		
Provision for employee benefits		
Gratuity	1,958,841	103,000
Compensated leave absences	593,000	70,000
	2,551,841	173,000
2.5 Short-term borrowings		
Unsecured, considered good		
From :		
Loan from holding company	1,022,615,344	1,124,922,129
Loan from others	500,000,000	-
(Variable interest rate ranging from 9.25% p.a.- 11.50% p.a.)	1,522,615,344	1,124,922,129



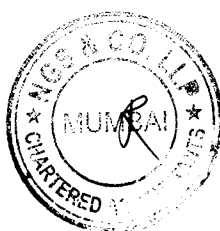
EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As At 31 March 2017	As At 31 March 2016
2.6 Trade payables		
Trade payables (refer note 2.36) (includes sundry creditors and provision for expenses)	26,033,212	22,618,469
	26,033,212	22,618,469
2.7 Other current liabilities		
Interest accrued and due on borrowings	11,378,365	5,915,183
Premium received on exchange traded options	965,000	-
Other payables		
Accrued salaries and benefits	9,616,069	2,707,642
TDS, service tax and other statutory dues	3,176,406	15,082,741
Book overdraft	1,198,121	683,657
Others	832,815	618,000
	27,166,776	25,007,223
2.8 Short-term provisions		
Provision for employee benefits		
Gratuity	295,000	-
Compensated leave absences	132,000	24,000
Others		
Provision for taxation (net of advance tax and tax deducted at source)	-	47,390
	427,000	71,390



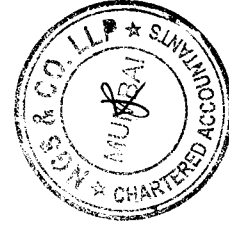
EFSL Trading Limited
(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.9 Fixed assets

Description of assets	Gross block			Depreciation			Net block	
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 1 April 2016	Additions during the year	As at 31 March 2017	As at 31 March 2016
Tangible assets								
Vehicles	-	766,744	-	766,744	-	109,574	657,170	-
Office equipment	84,346	229,145	-	313,491	8,017	101,462	204,012	76,329
Computers	5,455,848	5,728,809	-	11,184,657	956,600	5,135,215	5,092,842	4,499,248
Total : A	5,540,194	6,724,698	-	12,264,892	964,617	5,346,251	5,954,024	4,575,577
Intangible assets								
Computer software	-	2,173,187	-	2,173,187	-	521,502	1,651,685	-
Total : B	-	2,173,187	-	2,173,187	-	521,502	1,651,685	-
Grand total	5,540,194	8,897,885	-	14,438,079	964,617	5,867,753	7,605,709	4,575,577
Previous year	8,700	5,531,494	-	5,540,194	956	963,661	4,575,577	



EFSL Trading Limited

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Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2017 Amount Rs.	As at 31 March 2016 Amount Rs.
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2.10 Non-current investments**Investments in partnership firm, Capital account**

Edelvalue partners	10,000	-
Total	10,000	-

Aggregate of unquoted investment

At carrying value	10,000	-
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(a) Details of Investments in Partnership Firm

Partnership firm	Total Capital	As at 31 March 2017	As at 31 March 2016
Edelvalue Partners	Rs. 100,000 (Previous year Rs. 100,000)		
Share of profit/loss	Magnolia Commodities Services Private Limited	41%	41%
	Dahlia Commodities Services Private Limited	40%	40%
	EFSL Trading Limited	10%	0%
	EFSL Comtrade Limited	9%	0%
	Edelweiss Commodities Services Limited	0%	10%
	ECap Equities Limited	0%	9%



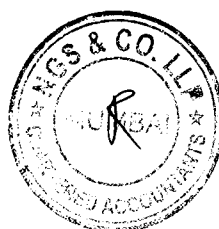
EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As At 31 March 2017	As At 31 March 2016
2.11 Long-term loans and advances		
Unsecured, considered good		
Loans and advances to a related party	-	290,000,000
Other loans and advances		
Advance tax and tax deducted at source (net of provision for taxation)	3,711,729	2,653,757
	<u>3,711,729</u>	<u>292,653,757</u>
2.12 Other non-current assets		
Long term deposits	12,258,090	
	<u>12,258,090</u>	<u>-</u>
2.13 Current investments		
Others (unquoted)		
Investments in current account with partnership firms		
Edelvalue partners (refer note 2.10)	19,002,998	-
	<u>19,002,998</u>	<u>-</u>



EFSL Trading Limited

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Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2017			As at 31 March 2016		
	Face Value	Units	Amount Rs.	Face Value	Units	Amount Rs.
2.14 Stock-in-trade						
Mutual funds (unquoted)						
Axis Liquid Fund	1,000	554,714.36	1,000,000,000	-	-	-
			<u>1,000,000,000</u>			<u>-</u>



EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As At 31 March 2017	As At 31 March 2016
2.15 Trade receivables		
Unsecured, considered good		
Other debts	111,630,134	2,088,230
	111,630,134	2,088,230
2.16 Cash and cash equivalents		
Balances with banks in current accounts	684,483	156,379
	684,483	156,379
2.17 Short-term loans and advances		
Unsecured, considered good		
Loans and advances to a related party	-	500,000,000
Other loans and advances		
Deposits- others	65,000	65,000
Prepaid expenses	1,424,897	1,305,533
Vendor advances	1,196,249	500
Cenvat and VAT assets	646,509	-
Advance tax and tax deducted at source (net of provision for taxation)	1,753,756	644,978
MAT credit entitlement	30,396,195	30,396,195
Advances recoverable in cash or in kind or for value to be received	1,945,789	-
	37,428,395	532,412,206
2.18 Other current assets		
Accrued interest on loans given	4,274,431	4,516,647
Accrued interest on margin	-	157,336
Margin placed with broker	324,187,530	275,792,904
	328,461,961	280,466,887



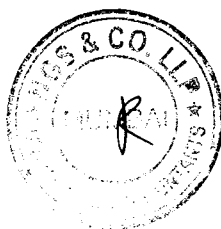
EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.19 Income from treasury operations and investments		
Profit on trading of securities (net)	35,332,778	14,220,513
Profit on trading in equity derivative instruments (net)	74,070,772	66,722,280
Profit on trading in commodity derivative instruments (net)	-	17,057,997
Profit/(loss) on trading in currency derivative instruments (net)	15,323,544	(64,621,942)
Loss on trading in interest rate derivative (net)	(16,593,975)	(34,337,910)
Share of profit in partnership firm	19,002,998	-
	127,136,117	(959,062)
2.20 Other operating revenue		
Interest income on loan	61,063,288	209,021,311
Interest income on fixed deposits	-	6,844,437
Interest income on margin with brokers	6,053,222	4,841,314
Investment management and support services	111,144,642	-
	178,261,152	220,707,062
2.21 Other income		
Interest income - others	47,390	88,553
	47,390	88,553



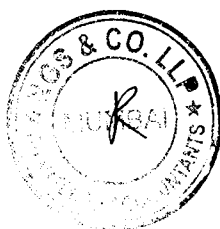
EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.22 Employee benefit expenses		
Salaries and wages	73,665,679	13,575,917
Contribution to provident and other funds	2,724,354	550,756
Staff welfare expenses	2,058,183	388,771
	78,448,216	14,515,444
2.23 Finance costs		
Interest on loan from holding company	132,017,569	242,361,313
Interest on loan from fellow subsidiaries	-	2,301,639
Interest - others	452	608,456
Financial and bank charges	150	29
	132,018,171	245,271,437
2.24 Other expenses		
Advertisement and business promotion	153,056	-
Auditors' remuneration (refer note no 2.26)	161,890	125,439
Commission and brokerage	681,005	-
Communication	8,236,984	4,063,144
Computer expenses	285,470	103,383
Computer software	123,940	-
Clearing and custodian charges	333,250	314,950
Directors' sitting fees	220,000	-
Electricity charges (refer note no 2.37)	2,142,828	126,202
Legal and professional fees	2,341,808	2,769,628
Membership and subscription	66,450	-
Office expenses	160,080	500
Postage and courier	7,327	-
Printing and stationery	219,611	1,885
Rates and taxes	13,300	5,120
Rent (refer note no 2.37)	10,734,846	997,151
Repairs and maintenance - others	182,334	4,466
ROC expenses	137,250	-
Security transaction tax	45,745,574	31,002,814
Service tax expenses	9,296,692	2,478,961
Stamp duty	330,394	29,062
Stock exchange expenses	10,017	8,445
Transportation charges	2,000	-
Travelling and conveyance	4,759,605	302,911
Warehousing charges	-	266,364
Miscellaneous expenses	-	189,654
Housekeeping and security charges	1,699,630	-
	88,045,341	42,790,079



EFSL Trading Limited

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Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.25 Segment reporting

Primary Segment (Business Segment):

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

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments, and dividend income
Agency business	Advisory and product distribution services

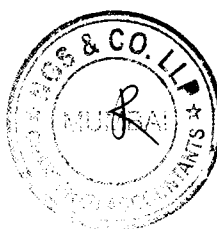
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities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

Secondary Segment:

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

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

Sr. No	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
I	Segment revenue		
	a) Capital based business	292,844,480	1,203,244,343
	b) Agency business	111,144,642	-
	c) Unallocated	-	-
	Total	403,989,122	1,203,244,343
	Less : Inter segment revenue	-	-
	Total income	403,989,122	1,203,244,343
II	Segment results		
	a) Capital based business	(17,479,741)	(70,538,036)
	b) Agency business	18,524,084	-
	c) Unallocated	-	-
	Total	1,044,343	(70,538,036)
	Profit before taxation	1,044,343	(70,538,036)
	Less : Provision for taxation	(21,262,340)	(27,027,170)
	Profit after taxation	22,306,683	(43,510,866)

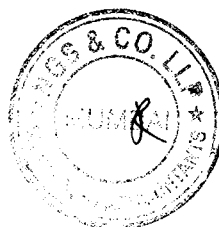


EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (continued)**(Currency: Indian Rupees)****2.25 Segment reporting (Continued)**

Sr. No	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
III	Segment assets		
	a) Capital based business	1,433,546,432	1,112,353,036
	b) Agency business	111,144,642	-
	c) Unallocated	-	-
	Total	1,544,691,074	1,112,353,036
IV	Segment liabilities		
	a) Capital based business	1,553,849,691	1,176,162,818
	b) Agency business	24,944,482	-
	c) Unallocated	-	-
	Total	1,578,794,173	1,176,162,818
V	Capital expenditure (including capital work in progress)		
	a) Capital based business	14,903,727	5,531,494
	b) Agency business	-	-
	c) Unallocated	-	-
	Total	14,903,727	5,531,494
VI	Depreciation and amortisation		
	a) Capital based business	3,060,259	963,661
	b) Agency business	2,807,494	-
	c) Unallocated	-	-
	Total	5,867,753	963,661
VII	Significant non cash expenses Other than depreciation and amortisation		
	a) Capital based business	2,781,841	(435,000)
	b) Agency business	-	-
	c) Unallocated	-	-
	Total	2,781,841	(435,000)



EFSL Trading Limited

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Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.26 Auditors' remuneration

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
As auditor	161,890	125,439
Total	161,890	125,439

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

Sr. No	Particulars
A.	Names of related parties by whom control is exercised
	Edelweiss Financial Services Limited, ultimate holding Company
	Edelweiss Commodities Services Limited, holding company of Edel Commodities Limited
	Edel Commodities Limited, the holding Company
B.	Fellow subsidiaries with whom the Company has transactions
	Edelweiss Comtrade Limited
	Edelweiss Business Services Limited (Formerly Edelweiss Web Services Limited)
	Edelweiss Agri Value Chain Limited (Formerly Edelweiss Integrated Commodity Management Limited)
	Edelweiss Securities Limited
	Edelweiss Retail Finance Limited
	ECap Equities Limited
	Edelcap Securities Limited
	Edel Commodities Trading Limited (till 17 November 2016)
	Edelweiss Finance & Investments Limited
	ECL Finance Limited
	Edelweiss Broking Limited
	Edelweiss Custodial Services Limited
	EFSL Comtrade Limited
	EFSL International Limited



EFSL Trading Limited

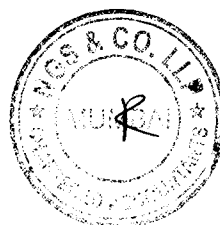
(formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.27 Related parties (Continued)**C. Transactions with related parties :**

Nature of Transaction	Related Party Name	2016-17	2015-16
Current account transactions			
Share issue during the year	Edel Commodities Limited	7,400,000	-
Short term loans taken from (Refer note below)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	- 9,886,535,060	119,710,792 3,785,170,990
Short term loans repaid to (Refer note below)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	76,161,292 9,912,680,553	3,354,926,000 2,938,853,032
Long term / short term loans repaid by (Refer note below)	Edelweiss Retail Finance Limited ECap Equities Limited Edelweiss Comtrade Limited	290,000,000 500,000,000 -	2,500,000,000 - 20,000,000
Margin placed with (Refer note below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	771,422,084 1,175,334,650	672,435,564 -
Margin withdrawn from (Refer note below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	1,012,792,498 887,336,264	662,058,148 -
Sale of commodities to	Edelweiss Commodities Services Limited	-	983,407,790
Investment management support service from	EFSL International limited	111,144,642	-
Cost reimbursement paid	Edelweiss Securities Limited Edelweiss Commodities Services Limited Edelweiss Financial Services Limited Edelweiss Business Services Limited Edelweiss Finance and Investments Limited ECap Equities Limited Edelcap Securities Limited ECL Finance Limited Edelweiss Broking Limited EFSL Comtrade Limited Edelweiss Agri Value Chain Limited	18,992,029 748,729 2,402,619 4,983 1,374,658 209,968 83,104 101,084 45,410 12,863 976	572,500 1,233,351 222,786 1,000,162 - - - - - - -
Reimbursement paid to	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited Edelweiss Business Services Limited	15,731,135 1,494,006 25,223,972	32,948,903 11,044,098 4,600
Warehousing expenses to	Edelweiss Agri Value Chain Limited	-	266,364
Clearing and custodian expenses to	Edelweiss Securities Limited	333,250	314,950
Professional fees paid to	Edelweiss Securities Limited Edelweiss Business Services Limited	111,694 63,103	- -
Processing fees paid to	Edelweiss Business Services Limited	27,460	30,858
Interest income on margin placed with	Edelweiss Securities Limited Edelweiss Custodial Services Limited	4,292,633 1,760,589	4,841,314
Interest income on loans given	Edelweiss Retail Finance Limited ECap Equities Limited	7,029,041 54,034,247	151,521,311 57,500,000
Net amount earned on settlement of forward contracts	ECap Equities Limited Edel Commodities Trading Limited	- -	4,005,000 11,930,000
Interest expense on loans from	Edelweiss Commodities Services Limited Edelweiss Financial Services Limited Edelweiss Comtrade Limited	129,674,890 609,802 -	68,818,468 173,542,845 2,301,639
Brokerage paid to	Edelweiss Securities Limited	3,096,678	-
Nomination deposit paid to	Edel Commodities Limited	100,000	-



EFSL Trading Limited

(formerly known as EFSL Commodities Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees)

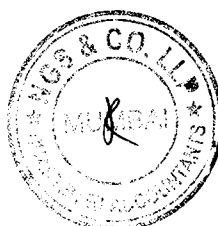
2.27 Related parties (Continued)**C. Transactions with related parties :**

Nature of Transaction	Related Party Name	2016-17	2015-16
Balance with related parties as on 31 March 2017			
Short term loans given to	ECap Equities Limited	-	500,000,000
Short term loans taken from	Edelweiss Financial Services Limited	-	76,161,292
	Edelweiss Commodities Services Limited	1,022,615,344	1,048,760,837
Nomination deposit payable to	Edel Commodities Limited	-	100,000
Long term loans given to	Edelweiss Retail Finance Limited	-	290,000,000
Other current liabilities	Edelweiss Commodities Services Limited	2	1,158,255
Accrued interest expense on loans taken from	Edelweiss Commodities Services Limited	9,818,776	2,205,927
	Edelweiss Financial Services Limited	-	3,709,256
Trade receivable from	Edelweiss Securities Limited	263,408	2,030,063
	Edelweiss Custodial Services Limited	222,084	-
	EFSL International limited	111,144,642	-
Trade payable to	Edelweiss Securities Limited	21,969,285	559,750
	Edelweiss Business Services Limited	108,519	28,163
	Edelweiss Financial Services Limited	505,878	-
	Edelweiss Agri Value Chain Limited	240,851	-
	Edelweiss Commodities Services Limited	208,777	618,391
	Edelweiss Finance and Investments Limited	1,580,855	-
	ECap Equities Limited	241,463	-
	Edelcap Securities Limited	95,570	-
	ECL Finance Limited	116,247	-
	Edelweiss Broking Limited	52,221	-
	EFSL Comtrade Limited	14,792	-
Loans and advances receivable from	Edelweiss Securities Limited	159,609	-
	Edelweiss Finance and Investments Limited	1,000,000	-
	Edelweiss Custodial Services Limited	9,000	-
	Edelweiss Commodities Services Limited	239,000	-
	ECap Equities Limited	231,000	-
Accrued interest income on loans given to	ECap Equities Limited	3,782,398	2,813,729
	Edelweiss Retail Finance Limited	492,033	1,702,918
Accrued interest income on margin placed	Edelweiss Securities Limited	-	157,336
Margin receivable from	Edelweiss Securities Limited	36,189,144	275,792,904
	Edelweiss Custodial Services Limited	287,998,386	-

Note :

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

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



EFSL Trading Limited

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Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.28 Capital commitment

The Company has capital commitments of Rs. 7,279,000 as at the balance sheet date (Previous year: 74,000).

- 2.29** The beneficial owner of the Company has confirmed its intention to provide continuing financial support to the Company so as to enable the Company to continue operating in the foreseeable future. Accordingly the financial statements have been prepared on a going concern basis.

2.30 Contingent liability

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

2.31 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits

A) Defined contribution plan (Provident fund)

An amount of Rs. 2,643,418 (Previous year: Rs. 549,046) is recognised as expense and included in "Employee benefit expenses" – Note 2.22 in the statement of profit and loss.

B) Defined benefit plan (Gratuity)

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

Statement of profit and loss:

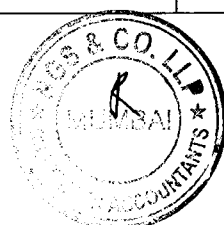
Net employee benefit expenses

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	400,981	62,000
Interest on defined benefit obligation	128,460	2,000
Expected return on plan assets	-	-
Past service cost	-	-
Net actuarial (gain)/loss recognized in the year	(13,600)	16,000
Total included in 'Employee benefit expenses'	515,841	80,000

Details of provision for gratuity

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Liability at the end of the year	2,253,841	103,000
Amount in Balance sheet	2,253,841	103,000

	For the year ended 31 March 2017	For the year ended 31 March 2016
Non-current liability at the end of the year	1,958,841	103,000
Current liability at the end of the year	295,000	-



EFSL Trading Limited

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Notes to the financial statements (continued)**(Currency: Indian Rupees)****2.31 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits (Continued)****Balance sheet:****Changes in the present value of the defined benefit obligation are as follows:**

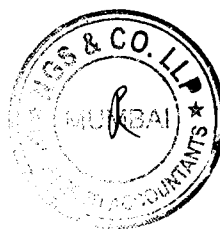
Particulars	As at 31 March 2017	As at 31 March 2016
Liability at the beginning of the year	103,000	541,000
Interest cost	128,460	2,000
Current service cost	400,981	62,000
Past service cost	-	-
Transfer in/(out)	1,635,000	(518,000)
Actuarial (gain)/loss on obligations	(13,600)	16,000
Liability at the end of the year	2,253,841	103,000

Amount recognised in the Balance sheet:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Liability at the end of the year	2,253,841	103,000	541,000	385,000	317,989
Fair value of plan assets at the end of the year	-	-	-	-	-
Amount in Balance sheet – liability	2,253,841	103,000	541,000	385,000	317,989

Experience adjustment:

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
On plan liabilities: (gain)/loss	(51,000)	15,000	9,000	14,000	-
On plan assets: (gain)/(loss)	-	-	-	-	-
Estimated contribution for the next year	-	-	-	-	-



EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (continued)**(Currency: Indian Rupees)****2.31 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits (Continued)****Principal actuarial assumptions at the balance sheet date:**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Discount rate	6.8%	7.4%
Salary escalation	7%	7%
Employee attrition rate	13% - 25%	13% - 25%

2.32 Open interest in currency futures as at 31 March 2017:**Short position**

Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Short position - USD	15,000	15,000,000
2	Short position - USD	7,812	7,812,000
2	Short position - USD	8,820	8,820,000

Open interest in currency futures as at 31 March 2016:**Short position**

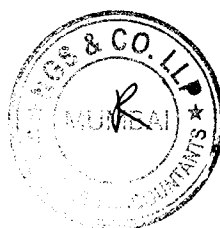
Sr. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Short position - USD	7,368	7,368,000
2	Short position - USD	1,000	1,000,000

2.33 Open interest in equity index/stock futures as at 31 March 2017:**Long position**

S. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Long position - BANK NIFTY	19,572	782,880

Short position

S. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Short position - Stock	22,879	36,580,148



EFSL Trading Limited

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Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.33 Open interest in Equity Index/Stock Futures as at 31 March 2016:

Long position

S. No	Name of Stock/ Index Future	No. of contracts	Number of Units involved
1	Long position - NIFTY	3	90
2	Long position - NIFTY	11,171	335,130

Short position

S. No	Name of stock/ index future	No. of contracts	Number of units involved
1	Short position - Stock	11,601	14,885,500

2.34 The following currency option contracts are outstanding as on balance sheet date:

	For the year ended 31 March 2017	For the year ended 31 March 2016
Total Premium carried forward (Net of provision made)	(965,000)	-



EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.35 Earnings per share

In accordance with Accounting standard (AS) 20, "Earning per Share" notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, the computation of earnings per share is set out below :

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Profit/(loss)/profit after tax (as per statement of profit and loss)	22,306,683	(43,510,866)
(b) Calculation of weighted average number of Equity Shares of Rs 10 each:		
– Number of shares at the beginning of the year	270,000	270,000
– Number of shares issued during the year	740,000	-
Total number of equity shares outstanding at the end of the year	1,010,000	270,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	407,863	270,000
(c) Basic and diluted earnings per share (in Rs) (a)/(b)	54.69	(161.15)

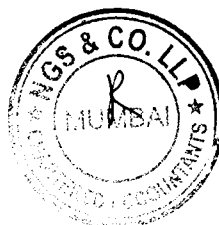
The basic and diluted earnings per share are the same as there are no dilutive potential equity shares (Previous year Rs. Nil).

2.36 Earnings and expenditure in foreign currency

The Company did not have any earnings or expenditure in foreign currency during the reporting year (Previous year Rs. Nil).

2.37 Cost sharing:

Edelweiss Commodities Services Limited, the holding company, incurs expenditure like electricity and rent which are for the benefit of the Company. These costs so expended are reimbursed by the Company on the basis of area occupied. Accordingly, the expenditure heads in note 2.24 are gross of the reimbursements.

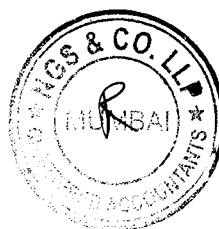


EFSL Trading Limited

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Notes to the financial statements (continued)**(Currency: Indian Rupees)****2.38 Details of Purchase, sales and changes in stock-in-trade:****(A) Commodities**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening stock		
Agri	-	-
Bullion	-	-
Subtotal	-	-
Purchase		
Agri	-	970,241,758
Bullion	98,565,298	-
Subtotal	98,565,298	970,241,758
Sale		
Agri	-	983,407,790
Bullion	98,544,463	-
Subtotal	98,544,463	983,407,790
Closing stock		
Agri	-	-
Bullion	-	-
Subtotal	-	-
(Loss)/profit on trading in commodities	(20,835)	13,166,032



EFSL Trading Limited

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Notes to the financial statements (continued)**(Currency: Indian Rupees)****2.39 Details of Purchase, sales and changes in stock-in-trade (continued)****(B) Securities:**

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening stock		
Equity shares	-	-
Mutual fund	-	-
Subtotal	-	-
Purchase		
Equity shares	56,147,141	69,051,859
Mutual fund	1,000,000,000	-
Subtotal	1,056,147,141	69,051,859
Sales		
Equity shares	91,479,919	83,272,372
Mutual fund	-	-
Subtotal	91,479,919	83,272,372
Closing stock		
Equity shares	-	-
Mutual fund	1,000,000,000	-
Subtotal	1,000,000,000	-
Profit on sale of securities and mutual fund (net)	35,332,778	14,220,513

2.40 Details of dues to micro and small enterprises

Trade Payables includes Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro and Small 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.



EFSL Trading Limited

(Formerly known as EFSL Commodities Limited)

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.41 Previous year comparatives

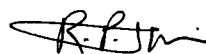
Previous year's numbers have been regrouped and rearranged wherever necessary to confirm to current year's presentation.

2.42 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

As per our report of even date attached

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



R. P. Soni
Partner
Membership No.: 104796



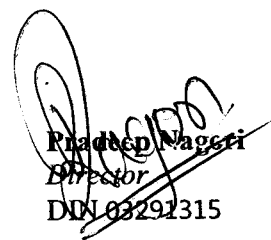
Mumbai
15 May 2017

For and on behalf of the Board of Directors



Kaushik Karani
Director
DIN 02020023

Mumbai
15 May 2017



Pradip Nagari
Director
DIN 03291315