

Edelweiss Comtrade Limited

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

Edelweiss Comtrade Limited

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

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INDEPENDENT AUDITOR'S REPORT

To,
The Members,
EDELWEISS COMTRADE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **EDELWEISS COMTRADE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and 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 provision 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 control, 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 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.

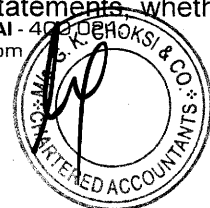
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether

708-709, Raheja Chambers, Free Press Journal Road, Nariman Point, **MUMBAI** - 400 025
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207, Tolstoy House, Tolstoy Marg, Janpath, **NEW DELHI** - 110 001
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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 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 operating effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

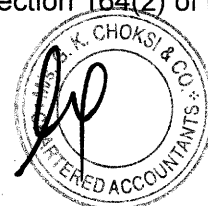
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 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 of 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 appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and 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 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.



- (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 and to our best of our information and according to the explanations given to us :
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer 2.22 to the financial statements.
 - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

3

SANDIP A. PARIKH
Partner
Mem. No. 40727

Place : Mumbai
Date : 14th May, 2015



Annexure to the Auditors' Report

(Referred to in our Report of even date to the members of Edelweiss Comtrade Limited)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of its 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.
- (ii) The nature of operations of the company is such that company does not require to hold inventory. Accordingly the clauses 3(ii)(a) to (c) of the order are not applicable.
- (iii) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013;
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, in respect of purchase of fixed assets and rendering of services. The Company's business does not entail sale of goods, as such. Further we have not come across nor have we been informed of any instance of major weakness in the internal control procedures.
- (v) The Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) Maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for the class of companies to which the Company belongs.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities. Apart from this, the Company has no arrears of such outstanding statutory dues as at 31st March, 2015 for a period more than six months from the date they became payable.



- (b) According to the information and explanations given to us, the Company had no unpaid disputed statutory dues as at 31st March, 2015 other than those stated below:

Name of the Statute	Nature of Dues	Amount in `	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,65,580	2012-13	CIT(A), Ahmedabad
Finance Act, 1994	Service-tax	17,42,396	F.Y. 2004-2005 to F.Y. 2012-2013	Customs, Excise and Service Tax Appellate Tribunal / Commissioner of Service-tax (Appeal).

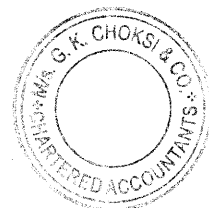
- (c) According to the information and explanations given to us, there are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) The Company does not have any accumulated losses as at 31st March, 2015, and has not incurred any cash loss during the year under review or in the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks or debenture holders during the year.
- (x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xi) According to the information and explanation given to us, the Company has not obtained any term loans during the year.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year under review.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants



SANDIP A. PARIKH
Partner
Mem. No. 40727

Place : Mumbai
Date : 14th May, 2015



Edelweiss Comtrade Limited

Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2015	As at 31 March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2.1	50,000,000	50,000,000
(b) Reserves and surplus	2.2	123,243,845	123,251,251
		<u>173,243,845</u>	<u>173,251,251</u>
(2) Non-current liabilities			
(a) Long-term provisions	2.3	1,098,000	1,174,000
(3) Current liabilities			
(a) Short-term borrowings	2.4	210,658,150	57,342,384
(b) Trade payables	2.5	325,306,735	422,077,302
(c) Other current liabilities	2.6	25,455,154	24,038,899
(d) Short-term provisions	2.7	317,000	547,680
TOTAL		<u><u>736,078,884</u></u>	<u><u>678,431,516</u></u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	2.8		
(i) Tangible assets		3,652,203	4,878,673
(ii) Intangible assets		111,405	234,626
(b) Deferred tax assets (net)	2.9	5,964,038	5,679,621
(c) Long-term loans and advances	2.10	86,662,414	191,605,853
		<u>96,390,060</u>	<u>202,398,773</u>
(2) Current assets			
(a) Trade receivables	2.11	18,039,473	19,321,559
(b) Cash and bank balances	2.12	53,361,666	54,079,149
(c) Short-term loans and advances	2.13	8,899,001	6,490,208
(d) Other current assets	2.14	559,388,684	396,141,827
		<u>639,688,824</u>	<u>476,032,743</u>
TOTAL		<u><u>736,078,884</u></u>	<u><u>678,431,516</u></u>

Significant accounting policies and notes to financial statements

As per our report of even date attached.

For G. K. Choksi & Co.

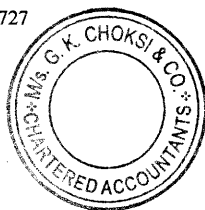
Chartered Accountants

Firm's Registration No. 101895W

Sandip A. Parikh

Partner

Membership No: 40727



Mumbai
14 May 2015

1 & 2

For and on behalf of the Board of Directors

Bhoomik Mehta

Director

DIN : 01661081

Tarang Mehta

Director

DIN : 01528135

Sandesh Sawant

Company Secretary

Mumbai
14 May 2015

Edelweiss Comtrade Limited

Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
I. Revenue from operations			
Fee and commission income	2.15	99,314,435	149,954,400
Income from treasury operations and investments	2.16	(869,232)	(1,353,832)
Other operating revenue	2.17	26,550,581	28,103,405
II. Other income	2.18	456,288	417,009
III. Total Revenue		125,452,072	177,120,982
IV. Expenses			
Employee benefit expenses	2.19	85,148,527	93,258,372
Finance costs	2.20	12,245,072	3,295,348
Depreciation and amortization expenses	2.8	1,921,410	2,022,734
Other expenses	2.21	24,583,764	31,654,229
Total Expenses		123,898,773	130,230,683
V. Profit before tax		1,553,299	46,890,299
VI. Tax expense:			
(1) Income tax		1,845,123	12,897,751
(2) Deferred tax (benefit)/ charge		(284,418)	2,369,187
VII. (Loss)/ Profit for the year		(7,406)	31,623,361
VIII. Earnings per equity share:			
Basic and diluted earnings per share (Rs.) (Face value of Rs. 10 each)	2.25	(0.00)	6.32

Significant accounting policies and notes to financial statements

1 & 2

As per our report of even date attached.

For G. K. Choksi & Co.

Chartered Accountants

Firm's Registration No. 101895W

Sandip A. Parikh
Partner

Membership No: 40727



Mumbai
14 May 2015

For and on behalf of the Board of Directors

Bhounik Mehta
Director
DIN : 01661081

Tarang Mehta
Director
DIN : 01528135

Sandesh Sawant
Company Secretary
Mumbai
14 May 2015

Edelweiss Comtrade Limited

Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash flow from operating activities		
Profit before taxation	1,553,299	46,890,299
Adjustments for		
Depreciation	1,921,410	2,022,734
Provision for doubtful debts/ written back	3,866,511	(6,342,921)
Loss on sale/ write-off of fixed assets (net)	-	191,277
Interest income	(21,988,246)	(23,499,678)
Interest expense	12,217,875	3,213,010
Operating cash flow before working capital changes	(2,429,151)	22,474,721
Add / (less): Adjustments for working capital changes		
(Increase)/ decrease in trade receivables	(2,584,425)	8,072,900
Decrease/ (increase) in loans and advances	105,320,035	(44,138,180)
(Increase)/ decrease in other assets	(159,093,658)	92,270,149
Decrease in liabilities and provisions	(95,905,427)	(88,536,237)
Cash used in operations	(154,692,626)	(9,856,647)
Income taxes paid	4,804,192	23,037,837
Net cash used in operating activities - A	(159,496,818)	(32,894,484)
B Cash flow from investing activities		
Purchase of fixed assets	(571,720)	(1,686,203)
Interest received	22,190,329	30,423,056
Net cash generated from investing activities - B	21,618,609	28,736,853
C Cash flow from financing activities		
Proceeds from unsecured loan	153,315,766	30,917,384
Interest paid	(11,799,758)	(3,114,585)
Net cash generated from (used in) financing activities - C	141,516,008	27,802,799
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	3,637,799	23,645,168
Cash and cash equivalent as at the beginning of the year	48,732,077	25,086,909
Cash and cash equivalent as at the end of the year (refer note 2.12)	52,369,876	48,732,077

Note:

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

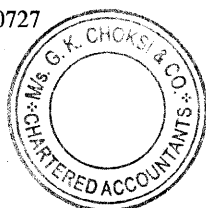
As per our report of even date attached.

For G. K. Choksi & Co
Chartered Accountants

Firm's Registration No. 101895W

Sandip A. Parikh
Partner

Membership No: 40727



Mumbai
14 May 2015

For and on behalf of the Board of Directors

Bhoomik Mehta

Director

DIN : 01661081

Tarang Mehta

Director

DIN : 01528135

Sandesh Sawant
Company Secretary

Mumbai
14 May 2015

Edelweiss Comtrade Limited

Notes to the financial statements for the year ended 31 March 2015

(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), 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 generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on 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 and 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:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- 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 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.

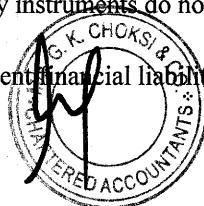
Liabilities

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

- It is expected to be settled in the company's normal operating cycle.
- It is held primarily for the purpose of being traded;
- 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 financial liabilities.

All other liabilities are classified as non-current



Edelweiss Comtrade Limited

Notes to the financial statements (Continued) for the year ended 31 March 2015

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.4 Revenue recognition

- Brokerage income is recognised as per contracted rates on execution of transactions on behalf of the customers on the trade date and is net off related sub-brokerage expenses and service tax.
- Fee income is accounted for, on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Income from treasury operations comprises profit/ loss on sale of securities and commodity derivative instruments.
 - (i) Profit/ loss on sale of securities is determined based on the weighted average cost of the commodities sold.
 - (ii) Realised profit/ loss on closed positions of derivative instruments is recognized on final settlement on squaring-up of the contracts.
- Interest income is recognised on accrual basis.

1.5 Fixed assets and depreciation

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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

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

Nature of assets	Useful Life
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

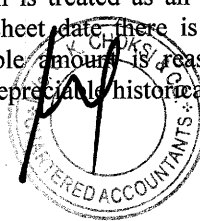
Leasehold improvements are amortized on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is shorter.

Intangible fixed assets

Intangibles such as software is amortised over a period of 3 years or its estimated useful life whichever is shorter.

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 is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable/historical cost.



Edelweiss Comtrade Limited

Notes to the financial statements (*Continued*) for the year ended 31 March 2015

(Currency: Indian rupees)

1. *Significant accounting policies (Continued)*

1.7 *Stock in trade*

Inventories in the form of commodities are valued at 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 and 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 *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 recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized 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. Such 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.

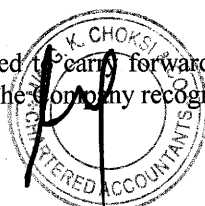
The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

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

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

Compensated 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



Edelweiss Comtrade Limited

Notes to the financial statements (*Continued*) for the year ended 31 March 2015

(Currency: Indian rupees)

1. Significant accounting policies (*Continued*)

1.9 Employee benefits (*Continued*)

profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

1.10 Taxation

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

Income tax

Provision for income 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 taxation

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 reasonable/virtually certain (as the case may be) to be realised.

1.11 Operating leases

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

1.12 Earnings per share

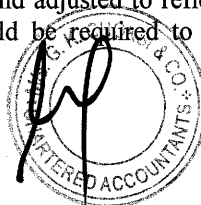
The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding for the 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 using the weighted average number of equity shares and dilutive potential equity shares outstanding at year end.

1.13 Provisions and contingencies

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

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



Edelweiss Comtrade Limited

Notes to the financial statements *(Continued)* for the year ended 31 March 2015

(Currency: Indian rupees)

1. *Significant accounting policies (Continued)*

1.13 *Provisions and contingencies (Continued)*

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 Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.1 Share capital

Authorised :

5,000,000 (Previous year: 5,000,000) Equity Shares of Rs. 10 each

Issued, Subscribed and Paid up:

5,000,000 (Previous year: 5,000,000) Equity Shares of Rs. 10 each, fully paid-up

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

a. Reconciliation of number of shares outstanding:

Number of shares outstanding at the beginning

Shares issued during the year

Number of shares at the end

b. Reconciliation of Share Capital:

Share Capital at the beginning of the year

Share Capital issued during the year

Share Capital at the end of the year

c. Terms/rights attached to equity shares:

The Company has only one class of shares referred to as 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

Opening Balance in Statement of Profit and Loss

Add: (Loss)/ profit for the year

Closing Balance in Statement of Profit and Loss

As at
31 March 2015

As at
31 March 2014

50,000,000 50,000,000

50,000,000 50,000,000

50,000,000 50,000,000

5,000,000 5,000,000

- -

5,000,000 5,000,000

50,000,000 50,000,000

- -

50,000,000 50,000,000

123,251,251

(7,406)

123,243,845

91,627,890

31,623,361

123,251,251



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

As at 31 March 2015	As at 31 March 2014
------------------------	------------------------

2.3 Long-term provisions

Provision for employee benefits
Compensated absense

1,098,000	1,174,000
-----------	-----------

1,098,000	1,174,000
-----------	-----------

2.4 Short-term borrowings

Unsecured

Loans and advances from related parties
(Repayable on demand at variable rate of interest)

210,658,150	57,342,384
-------------	------------

210,658,150	57,342,384
-------------	------------

2.5 Trade payables

Trade payables
(includes sundry creditors, provision for expenses, customer payables)

325,306,735	422,077,302
-------------	-------------

325,306,735	422,077,302
-------------	-------------

2.6 Other current liabilities

Interest accrued and due on borrowings

549,384	131,267
---------	---------

Other payables

Accrued salaries and benefits

19,854,895	12,927,198
------------	------------

Withholding taxes, service tax and other statutory dues payable

4,140,795	5,586,054
-----------	-----------

Advances from customers

573,080	772,748
---------	---------

Book overdraft

-	4,621,632
---	-----------

Others

337,000	-
---------	---

25,455,154	24,038,899
------------	------------

2.7 Short-term provisions

Provision for employee benefits
Compensated absense

316,000	373,000
---------	---------

Others

Provision for taxation

1,000	174,680
-------	---------

(net of advance income taxes of Rs. Nil (Previous year
Rs. 34,374,749))

317,000	547,680
---------	---------



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.8 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block		
	As at 1 April 2014	Additions during the year	Deductions during the year	As at 31 March 2015	As at 1 April 2014	Additions during the year	Deductions during the year	As at 31 March 2015	As at 31 March 2014
Tangible assets									
Furniture and fittings	-	66,000	-	66,000	-	9,593	-	9,593	56,407
Office equipment	81,559	52,046	-	133,605	16,997	42,372	-	59,369	74,236
Vehicles	7,028,819	-	-	7,028,819	2,459,318	1,483,777	-	3,943,095	4,569,501
Computers	601,641	453,674	-	1,055,315	357,031	262,448	-	619,479	244,610
Total : A	7,712,019	571,720	-	8,283,739	2,833,346	1,798,190	-	4,631,536	4,878,673
Intangible assets									
Computer software	4,566,198	-	-	4,566,198	4,331,573	123,220	-	4,454,793	234,625
Total : B	4,566,198	-	-	4,566,198	4,331,573	123,220	-	4,454,793	234,625
Grand Total [A+B]	12,278,217	571,720	-	12,849,937	7,164,919	1,921,410	-	9,086,329	5,113,298
Previous Year	14,890,935	1,686,203	4,298,921	12,278,217	9,249,828	2,022,735	4,107,644	7,164,919	5,113,298

Note:

As per the requirement of the Companies Act, 2013, the Company has evaluated the useful lives of its fixed assets and has computed depreciation according to the provisions of Schedule II of the Act. Consequently, in the Statement of profit and loss of the Company, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 368,703.



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.9 Deferred taxes		
Deferred tax assets		
Difference between book and tax depreciation	605,937	419,945
Provision for doubtful debts/ advances	4,890,590	3,544,688
Disallowances under section 43B of the Income Tax Act, 1961	467,511	1,714,988
	<u>5,964,038</u>	<u>5,679,621</u>
2.10 Long-term loans and advances		
<u>Unsecured</u>		
Loans and advances to related parties	80,000,000	184,600,000
Capital Advances	-	189,000
Security deposits		
Rental deposits	280,000	280,000
Deposits placed with/ for exchange/ depositories	2,700,000	2,677,940
Other deposits	450,000	450,000
Other loans and advances		
Prepaid expenses	-	3,963
Advance income taxes	3,232,414	3,404,950
(net of provision for taxation of Rs. 36,166,139 (Previous year: Rs. 40,471,139))		
	<u>86,662,414</u>	<u>191,605,853</u>
2.11 Trade receivables		
Debtors outstanding for a period exceeding six months		
Secured, considered good	13,333,066	9,291,384
Unsecured, considered doubtful	12,547,085	9,117,290
	<u>25,880,151</u>	<u>18,408,674</u>
Provision for doubtful debts	12,547,085	9,117,290
	<u>13,333,066</u>	<u>9,291,384</u>
Other debts		
Secured, considered good	4,574,306	10,030,175
Unsecured, considered good	132,101	-
Unsecured, considered doubtful	2,244,647	1,807,932
	<u>6,951,054</u>	<u>11,838,107</u>
Provision for doubtful debts	2,244,647	1,807,932
	<u>4,706,407</u>	<u>10,030,175</u>
	<u>18,039,473</u>	<u>19,321,559</u>



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.12 Cash and bank balances		
Balances with banks		
- in Current accounts	52,369,876	48,732,077
Other bank balances		
- Short term deposits with banks (refer note 2.23) (held as margin money or towards arbitration)	991,790	5,347,072
	53,361,666	54,079,149

2.13 Short-term loans and advances

Unsecured

Other loans and advances		
Prepaid expenses	1,171,316	156,048
Loans and advances to employees	1,097,905	1,305,943
Vendor advances	1,058,835	792,077
Input tax credits	1,387,160	2,881,520
Advance income taxes (net of provision for taxation of Rs. 12,971,849 (Previous year: Rs. Nil))	2,957,926	-
Advances recoverable in cash or in kind or for value to be received	1,225,859	1,354,620
	8,899,001	6,490,208

2.14 Other current assets

Accrued interest on fixed deposits	12,907	320,818
Accrued interest on loans given	713,747	607,919
Accrued interest on margin	5,844	-
Receivable from exchange / clearing house (net)	514,481,392	394,968,090
Gratuity fund (net)	79,000	245,000
Margin placed with broker	44,095,794	-
	559,388,684	396,141,827



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.15 Fee and commission income		
Income from commodities broking (refer note 2.33)	89,678,911	141,906,351
Fee income	9,635,524	8,048,049
	<u>99,314,435</u>	<u>149,954,400</u>
2.16 Income from treasury operations and investments		
Profit / (loss) on trading in Commodity derivative instruments (net)	84,092	(1,353,832)
Loss on trading in currency derivative instruments (net)	(953,324)	-
	<u>(869,232)</u>	<u>(1,353,832)</u>
2.17 Other operating revenue		
Interest income on loan to fellow subsidiary company	21,670,553	13,752,864
Interest income on fixed deposits	153,909	9,645,751
Interest income on margin with brokers	6,493	-
Delayed payment charges	4,719,626	4,704,790
	<u>26,550,581</u>	<u>28,103,405</u>
2.18 Other income		
Miscellaneous income	292,504	315,946
Interest income - others	163,784	101,063
	<u>456,288</u>	<u>417,009</u>



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.19 Employee benefit expenses		
Salaries and wages	80,592,810	84,680,509
Contribution to provident and other funds (refer note 2.26)	4,883,660	2,827,455
Staff welfare expenses	(327,943)	850,408
Shared staff cost (refer note 2.31)	-	4,900,000
	<u>85,148,527</u>	<u>93,258,372</u>
2.20 Finance costs		
Interest on loan from holding company	9,888,184	2,763,855
Interest on loan from fellow subsidiaries	2,305,293	32,459
Interest - others	24,398	416,696
Financial and bank charges	27,197	82,338
	<u>12,245,072</u>	<u>3,295,348</u>
2.21 Other expenses		
Advertisement and business promotion	78,489	66,015
Auditors' remuneration (refer note 2.29)	220,000	200,000
Bad- debts and advances written off	57,445	1,435
Communication	222,488	3,491,454
Computer expenses	23,068	21,259
Computer software	1,116,580	175,104
Clearing & custodian charges	135,000	100,000
Dematerialisation charges	50,119	-
Electricity charges (refer note 2.31)	478,110	3,566,579
Insurance	1,486,494	405,269
Legal and professional fees	7,555,566	11,369,472
Loss on sale/ write-off of fixed assets (net)	-	191,277
Membership and subscription	39,200	68,708
Office expenses	213,835	280,474
Postage and courier	275,659	435,526
Printing and stationery	17,738	275,853
Provision for doubtful debts	3,866,511	(6,342,921)
Rates and taxes	46,797	20,753
Rent (refer note 2.31)	4,383,182	13,073,300
Repairs and maintenance - others	54,200	(360,035)
ROC Expenses	5,314	-
Seminar & Conference	3,000	-
Service tax expenses	139,309	-
Stamp duty	31,447	-
Stock exchange expenses	1,189,295	724,934
Transportation Charges	-	10,395
Travelling and conveyance	2,862,695	3,728,453
Warehousing charges	27,255	130,669
Wealth Tax	1,000	-
Miscellaneous expenses	3,968	20,255
	<u>24,583,764</u>	<u>31,654,229</u>



Edelweiss Comtrade Limited

Notes to the financial statements (Continued) for the year ended 31 March 2015

(Currency: Indian rupees)

2.22 Contingent liabilities and commitments

(i) Contingent liabilities

- a) Claims against the Company not acknowledged as debt Rs. 264,519 (Previous year: Rs. 2,856,000).
- b) Taxation matters in respect of which appeal is pending – Rs. 3,723,819 (Previous year: Rs. 3,558,239).

(ii) Capital commitments

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

2.23 Additional disclosure on fixed deposits

- a) Fixed deposits aggregating to Rs. 750,000 (previous year: Rs. 1,125,000) have been pledged with exchanges for meeting base capital requirement.
- b) Fixed deposits aggregating to Rs. 241,790 (previous year: Rs. 222,072) have been pledged with exchange towards arbitration.

2.24 Operating leases

The Company has taken premises on operating lease. Gross rental expenses for the year ended 31 March 2015 aggregated to Rs. 4,383,182 (Previous year Rs. 13,073,300) which has been included under the head Other expenses – Rent in the statement of profit and loss. There is no premises on non-cancellable operating lease.

2.25 Earnings per share

In accordance with Accounting Standard 20 on Earnings Per Share, the computation of earnings per share is set out below:

Particulars	2015	2014
a) Shareholders earnings (as per statement of profit and loss)	(7,406)	31,623,361
b) Calculation of weighted average number of equity shares of Rs. 10 each:		
– Number of shares at the beginning of the year	5,000,000	5,000,000
– Number of shares issued during the year	Nil	Nil
Total number of equity shares outstanding at the end of the year	5,000,000	5,000,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	5,000,000	5,000,000
c) Basic and diluted earnings per share (in rupees) (a/b)	0.00	6.32

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares.



Edelweiss Comtrade Limited

Notes to the financial statements (Continued) for the year ended 31 March 2015

(Currency: Indian rupees)

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

(a) Defined contribution to provident fund, employee state insurance fund and employees death linked insurance

Amount of Rs. 3,280,660 (Previous year: Rs. 2,751,926) is recognised as expenses in "Employee benefit expenses" – Note 2.19 in the statement of profit and loss.

(b) Defined benefit plans (Gratuity)

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

Particulars	2015	2014
Changes in the present value of obligation		
Present value of obligation (opening)	8,255,000	8,422,673
Transfer out	(337,000)	(141,000)
Interest cost	689,000	654,000
Current service cost	883,000	741,327
Benefits paid	(891,000)	(736,000)
Actuarial loss/ (gain)	1,690,000	(686,000)
Present value of obligation (closing)	10,289,000	8,255,000
Changes in the fair value of plan assets		
Present value of plan assets (opening)	8,500,000	1,888,000
Expected return on plan assets	641,000	421,000
Employers contributions	1,100,000	6,714,000
Benefits paid	(891,000)	(736,000)
Actuarial gain	1,018,000	213,000
Fair value of plan assets (closing)	10,368,000	8,500,000
Percentage of each category of plan assets to total fair value of plan assets at the year end		
Insurer Managed Funds (Traditional)	20%	22%
Insurer Managed Funds (Unit-linked)	70%	77%
Cash & Bank	10%	1%
Reconciliation of the present value of defined benefit obligation and the fair value of assets		
Present value of funded obligation as at the year end	10,289,000	8,255,000
Fair value of plan assets as at year end	10,368,000	8,500,000
Funded asset recognised in the balance sheet	(79,000)	(245,000)
Present value of unfunded obligation as at the year end	-	-
Unfunded net liability recognised in the balance sheet	-	-



Edelweiss Comtrade Limited

Notes to the financial statements *(Continued)* for the year ended 31 March 2015

(Currency: Indian rupees)

2.26 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits *(Continued)*

Particulars	2015	2014
Amount recognised in the balance sheet		
Present value of obligation as at the year end	10,289,000	8,255,000
Fair value of plan assets as at the year end	10,368,000	8,500,000
(Asset)/ liability recognised in the balance sheet		
- Current asset	(79,000)	(245,000)
Expenses recognised in the statement of profit and loss		
Current service cost	883,000	741,327
Interest cost	689,000	654,000
Expected return on plan assets	(641,000)	(421,000)
Net actuarial loss/ (gain)	672,000	(899,000)
Total expenses recognised in the statement of profit and loss	1,603,000	75,327
Experience adjustments		
Defined Benefit obligation	10,289,000	8,255,000
Fair Value of plan assets	10,368,000	8,500,000
Surplus/ (deficit)	79,000	2,45,000
Experience adjustment on plan liabilities: loss/ (gain)	1,011,000	(4,29,000)
Experience adjustment on plan assets: gain	1,018,000	2,13,000
Principal actuarial assumption		
Rate of discounting	7.80%	8.70%
Expected return on plan assets	8.00%	8.00%
Annual increase in salary costs	7.00%	6.00%
Attrition rate	60% at junior level reducing to 13% at senior level	60% at junior level reducing to 13% at senior level

2.27 Disclosure of Related parties as required under AS-18- "Related Party Disclosure"

(A) Names of related parties by whom control is exercised

Edelweiss Financial Services Limited
Edelweiss Securities Limited

Ultimate holding company
Holding company

(B) Key management personnel

Sandip Shah



Manager (upto November 1, 2014)

Edelweiss Comtrade Limited

Notes to the financial statements *(Continued)* for the year ended 31 March 2015

(Currency: Indian rupees)

2.27 Disclosure of Related parties as required under AS-18- "Related Party Disclosure" *(Continued)*

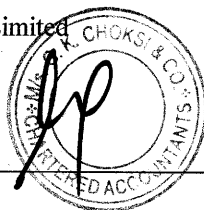
(C) Fellow subsidiaries with whom transactions have taken place during the year:

Edelweiss Commodities Services Limited
Ecap Equities Limited
Edelweiss Broking Limited*
Edelweiss Web Services Limited
ECL Finance Limited
Edelweiss Custodial Services Limited
Edelweiss Global Wealth Management Limited
EFSL Commodities Limited

* Edelweiss Financial Advisors Limited ("Transferor Company"), has been amalgamated with Edelweiss Broking Limited ("Transferee Company") with effect from October 2013 ("the Appointed Date") vide a court order. The Scheme of Amalgamation has come into effect from December 9, 2014 ("the Effective Date"). All related party transactions transacted during the year and the outstanding balances thereof as at the end of the year relating to the Transferor Company are considered to be transacted with the Transferee Company and accordingly included in the related party transactions disclosure of the Company.

(D) Transaction with related parties:

Nature of Transaction	Related Party Name	2015	2014
Capital account transactions during the year			
Short term loans taken from (refer note -1 below)	Edelweiss Financial Services Limited	386,636,788	169,173,935
	Edelweiss Commodities Services Limited	2,100,000	20,000,000
Short term loans repaid to	Edelweiss Financial Services Limited	235,421,022	158,256,551
Long term loans given to (refer note -1 below)	Edelweiss Financial Services Limited	-	104,600,000
	Edelweiss Global Wealth Management Limited	-	60,000,000
	EFSL Commodities Limited	-	20,000,000
Long term loans repaid by	Edelweiss Financial Services Limited	104,600,000	-
Margin placed with (refer note -1 below)	Edelweiss Securities Limited	44,095,794	-
Current account transactions during the year			
Interest expense on Short term loan from	Edelweiss Financial Services Limited	9,888,184	2,763,855
	Edelweiss Commodities Services Limited	2,305,293	32,459
Interest income on Long term loan from	Edelweiss Financial Services Limited	12,070,553	8,288,967
	Edelweiss Global Wealth Management Limited	7,200,000	256,438
	EFSL Commodities Limited	2,400,000	85,475
	Edelweiss Commodities Services Limited	-	1,914,829
	Ecap Equities Limited	-	3,207,155
Interest income on Margin placed with	Edelweiss Securities Limited	6,493	-



Edelweiss Comtrade Limited

Notes to the financial statements *(Continued)* for the year ended 31 March 2015

(Currency: Indian rupees)

2.27 Disclosure of Related parties as required under AS-18- "Related Party Disclosure" *(Continued)*

(D) Transaction with related parties *(Continued)*:

Nature of Transaction	Related Party Name	2015	2014
Clearing charges paid to	Edelweiss Commodities Services Limited	120,000	100,000
	Edelweiss Securities Limited	15,000	-
Warehouse charges paid to	Edelweiss Broking Limited	-	60
Reimbursement paid to	Edelweiss Financial Services Limited	5,546,273	-
Shared Staff Cost paid to	Edelweiss Broking Limited	-	4,900,000
Electricity expenses paid to	Edelweiss Commodities Services Limited	478,188	565,579
	Edelweiss Broking Limited	-	3,000,000
Communication expense paid to	Edelweiss Broking Limited	-	4,000,000
Insurance expenses paid to	Edelweiss Financial Services Limited	867,032	-
Processing fees paid to	Edelweiss Web Services Limited	131,770	41,800
Rent paid to	Edelweiss Commodities Services Limited	3,987,682	5,723,300
	Edelweiss Broking Limited	-	7,000,000
Remuneration paid to	Sandip Shah	382,684	739,073
Balances with related parties			
Short term loans taken from	Edelweiss Financial Services Limited	188,558,150	37,342,384
	Edelweiss Commodities Services Limited	22,100,000	20,000,000
Trade payables to	Edelweiss Financial Services Limited	1,470,063	3,950
	Edelweiss Commodities Services Limited	4,993,828	-
	Edelweiss Broking Limited	-	15,390,806
	Others	95,229	327,813
Other current liabilities payable to	ECL Finance Limited	75,000	-
	Edelweiss Broking Limited	148,000	-
	Edelweiss Custodial Services Limited	114,000	-
Long term loans given to	Edelweiss Financial Services Limited	-	104,600,000
	Edelweiss Global Wealth Management Limited	60,000,000	60,000,000
	EFSL Commodities Limited	20,000,000	20,000,000
Accrued interest expenses on loan taken from	Edelweiss Financial Services Limited	411,913	102,671
	Edelweiss Commodities Services Limited	137,471	28,596



Edelweiss Comtrade Limited

Notes to the financial statements (Continued) for the year ended 31 March 2015

(Currency: Indian rupees)

2.27 Disclosure of Related parties as required under AS-18- "Related Party Disclosure" (Continued)

(D) Transaction with related parties (Continued):

Nature of Transaction	Related Party Name	2015	2014
Accrued interest income on loan given to	Edelweiss Financial Services Limited	216,651	340,451
	Edelweiss Global Wealth Management Limited	372,822	195,287
	EFSL Commodities Limited	124,274	340,451
	Others	-	7,089
Accrued interest income on Margin placed with	Edelweiss Securities Limited	5,844	-
Margin placed with broker	Edelweiss Securities Limited	44,095,794	-
Trade receivables from	Edelweiss Web Services Limited	132,101	-
Receivable from clearing house (net)	Edelweiss Commodities Services Limited	512,281,013	39,18,96,921

Note -1 : 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.

2.28 Segment reporting

The Company is engaged primarily into commodity broking business and there are no other reportable business segments within the meaning of Accounting Standard 17 on Segment Reporting.

2.29 Auditors' remuneration

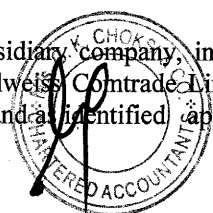
Particulars	As at 31 March 2015	As at 31 March 2014
As auditors	220,000	200,000
Total	220,000	200,000

2.30 Foreign currency transactions

The Company has not earned/ incurred any income/ expenditure in foreign currency during the year ended 31 March 2015 (Previous year Rs. Nil).

2.31 Cost sharing

Edelweiss Commodities Services Limited, the fellow subsidiary company, incurs expenditure towards rent & utilities which is for the common benefit of itself & Edelweiss Comtrade Limited. This cost so expended is reimbursed by Edelweiss Comtrade Limited. Accordingly, and as identified appropriately, the expenditure heads in Note 2.21 are factored with these reimbursements.



Edelweiss Comtrade Limited

Notes to the financial statements (*Continued*) for the year ended 31 March 2015

(Currency: Indian rupees)

2.31 Cost sharing (*Continued*)

Edelweiss Broking Limited, the fellow subsidiary company, incurs expenditure like common senior management compensation which is for the common benefit of Edelweiss Comtrade Limited. This cost so expended is reimbursed by Company. Accordingly, and as identified appropriately, the expenditure heads in Note 2.19 are factored with these reimbursements.

2.32 Details of dues to micro, small and medium enterprises

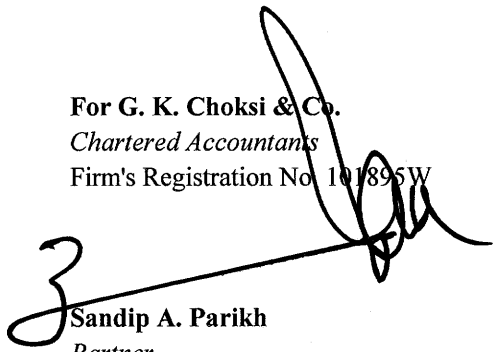
Trade Payables includes Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this Act. The aforementioned is based on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

2.33 Brokerage income is disclosed net of related (i) sub-brokerage expenses Rs. 58,203,903 (previous year Rs. 89,674,746) and (ii) service tax Rs. Nil (previous year Rs. 26,185,946) and (iii) stock exchange expense Rs. (1,593,583) (previous year Rs. (13,983,669)).

2.34 Previous year comparatives

Previous year figures have been regrouped and reclassified wherever necessary, to conform to current year's presentation.

For G. K. Choksi & Co.
Chartered Accountants
Firm's Registration No. 101895W


Sandip A. Parikh
Partner
Membership No: 40727



Mumbai
14 May 2015

For and on behalf of the Board of Directors


Bhounik Mehta
Director
DIN : 01661081


Tarang Mehta
Director
DIN : 01528135


Sandesh Sawant
Company Secretary

Mumbai
14 May 2015