

Edelweiss Agri Value Chain Limited

*(Formerly known as Edelweiss Integrated Commodity
Management Limited)*

Financial statements
together with the
Independent Auditor's Report
for the year ended 31 March 2017

Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Financial statements together with the independent Auditor's Report *for the year ended 31 March 2017*

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To
The Members of Edelweiss Agri Value Chain Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Edelweiss Agri Value Chain 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.

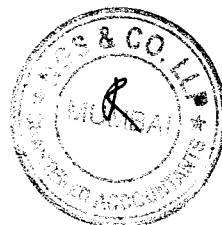


Opinion

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.

Report on Other Legal and Regulatory Requirements

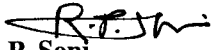
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent 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 has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 2.36.

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


R. P. Soni
Partner
Membership No.: 104796

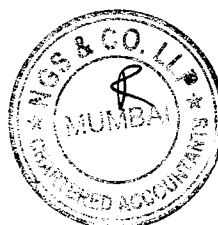


Place: Mumbai
Date: 16 May 2017

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Agri Value Chain Limited ('the Company') on the financial statements for the year ended 31 March 2017, we report that:

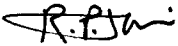
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased 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 and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of 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) The Company has granted unsecured loan to one company covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (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 the 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, services tax, sales tax, value added tax, cess, employees' state insurance, duty of custom 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 duty of excise.

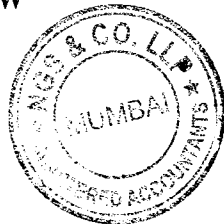


According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, services tax, sales tax, value added tax, cess, employees' state insurance, duty of custom and other material statutory dues were outstanding, at the year end, for a period 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, service tax, employees' state insurance, duty of custom and cess which have not been deposited on account of any dispute.
- (viii) In our opinion, and according to information and explanations given to us, the Company has not defaulted in repayment of dues to its bank, financial institution and debenture holders. Further, the Company does not have any loans or borrowings from any other bank and government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of issue of debentures for the purposes for which it was raised.
- (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, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (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 to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and 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: 16 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 **Edelweiss Agri Value Chain Limited ("the Company")** 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.

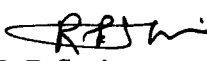
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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: 16 May 2017

Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Balance Sheet

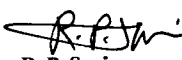
(Currency: Rupees in millions)

	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,000.50	1,000.50
Reserves and surplus	2.2	32.86	14.86
		1,033.36	1,015.36
Non-current liabilities			
Long-term borrowings	2.3	3,300.00	-
Long-term provisions	2.4	10.38	6.21
		3,310.38	6.21
Current liabilities			
Short-term borrowings	2.5	2,054.17	5,586.62
Trade payables			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.6	375.15	375.46
Other current liabilities	2.7	393.32	2,324.69
Short-term provisions	2.8	25.51	0.80
		2,848.15	8,287.57
TOTAL		7,191.89	9,309.14
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.9	45.81	43.13
Intangible assets	2.9	38.94	19.12
Capital work-in-progress		4.42	10.49
Non-current investments	2.10	250.00	250.00
Deferred tax assets (net)	2.11	76.83	4.00
Long-term loans and advances	2.12	37.08	20.22
Other non-current assets	2.13	31.08	12.12
		484.16	359.08
Current assets			
Stock-in-trade	2.14	1,006.23	7,476.93
Trade receivables	2.15	2,159.57	1,196.33
Cash and bank balances	2.16	327.95	104.74
Short-term loans and advances	2.17	3,122.17	171.70
Other current assets	2.18	91.81	0.36
		6,707.73	8,950.06
TOTAL		7,191.89	9,309.14

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

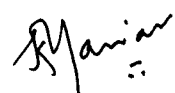
Partner


Membership No: 104796



For and on behalf of the Board of Directors of
Edelweiss Agri Value Chain Limited


Santosh Dadheech
Executive Director
DIN No: 00196204


Kalpana Maniar
Director
DIN No: 00719180


Deepak Mundra
Chief Financial Officer


Manish Ajmera
Company Secretary

Mumbai
16 May 2017

Mumbai
16 May 2017

Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Statement of profit and loss

(Currency: Rupees in millions)

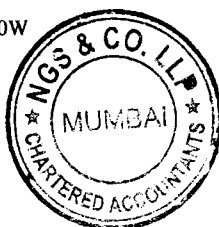
	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Fee and warehousing income	2.19	1,025.49	726.09
Income from treasury operations and investments	2.20	48.13	-
Interest income	2.21	695.89	391.25
Sale of commodities		13,505.75	8,726.29
Other income	2.22	3.65	2.36
Total Revenue		15,278.91	9,845.99
Expenses			
Purchase of commodities		5,842.19	13,191.05
Changes in stock-in-trade of commodities		7,467.46	(4,589.16)
Employee benefit expenses	2.23	321.21	270.19
Finance costs	2.24	518.94	252.32
Depreciation and amortisation expense	2.9	34.96	29.56
Other expenses	2.25	1,062.88	668.96
Total expenses		15,247.64	9,822.92
Profit before tax		31.27	23.07
Tax expense:			
Current tax [including short provision for earlier year Rs. 3.12 million; (Previous year Rs. 2.62 million)]		86.09	10.50
Deferred tax benefit		(72.82)	(2.46)
Profit for the year		18.00	15.03
Earnings per equity share (face value Rs. 10 each)			
Basic and diluted (in rupees)	2.30	0.18	0.15
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

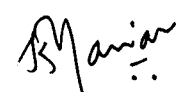

R. P. Soni

Partner
Membership No: 104796



**For and on behalf of the Board of Directors of
Edelweiss Agri Value Chain Limited**


Santosh Dadheech
Executive Director
DIN No: 00196204


Kalpana Maniar
Director
DIN No: 00719180


Deepak Mundra
Chief Financial Officer


Manish Ajmera
Company Secretary

Mumbai
16 May 2017

Mumbai
16 May 2017

Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Cash flow statement

(Currency: Rupees in millions)

	For the year ended 31 March 2017	For the year ended 31 March 2016
A Cash flow from operating activities		
Profit before tax	31.27	23.07
Adjustments for		
Depreciation and amortisation expense	34.96	29.56
Loss/(profit) on sale of fixed assets (net)	0.11	(0.16)
Balance written off	1.35	-
Provision for compensated leave absences and gratuity	4.46	4.37
Provision for doubtful debts	198.14	-
Interest income	(402.57)	(2.51)
Interest expense	264.77	249.91
Operating cash flow before working capital changes	132.49	304.24
Adjustments for working capital changes		
Increase in trade receivables	(1,162.73)	(821.60)
Decrease/(increase) in stock in trade	6,470.71	(4,598.63)
Increase in loans and advances	(1,035.39)	(173.40)
(Increase)/decrease in other current assets	(354.32)	0.91
(Decrease)/increase in current liabilities and provisions	(2,168.03)	1,754.99
Cash generated from /(used in) operations	1,882.73	(3,533.49)
Income taxes paid	(78.10)	(15.69)
Net cash generated from/(used in) operating activities - A	1,804.63	(3,549.18)
B Cash flow from investing activities		
Purchase of fixed assets (including capital work-in progress)	(51.67)	(51.75)
Proceeds from sale of fixed assets	0.17	1.14
(Deployment of)/repayment of short term loans given (net) (refer note 1)	(1,915.53)	0.67
Interest received	402.80	2.21
Net cash used in investing activities - B	(1,564.23)	(47.73)
C Cash flow from financing activities		
(Repayment of)/proceeds from borrowings of unsecured loans (net) (refer note 1)	(2,592.52)	1,172.99
Proceeds from borrowings of secured loans (net) (refer note 1)	2,352.91	1,199.16
Proceeds from issuance of commercial paper (net) (refer note 1)	7.16	1,478.02
Interest paid	(28.42)	(232.31)
Net cash (used in)/generated from financing activities - C	(260.87)	3,617.86
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(20.47)	20.95
Cash and cash equivalents as at the beginning of the year	34.08	13.13
Cash and cash equivalents as at the end of the year (refer note 2.16)	13.61	34.08

Note:

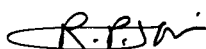
1 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

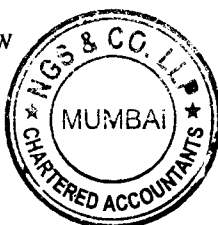
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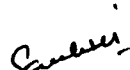
R. P. Soni

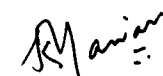
Partner

Membership No: 104796



For and on behalf of the Board of Directors of
Edelweiss Agri Value Chain Limited


Santosh Dadheech
Executive Director
DIN No: 00196204


Kalpana Maniar
Director
DIN No: 00719180


Deepak Mundra
Chief Financial Officer


Manish Ajmera
Company Secretary

Mumbai
16 May 2017

Mumbai
16 May 2017

Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

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

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and 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 twelve 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 twelve 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 twelve months after the reporting date or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.



Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (Continued)

1.4 Revenue recognition

- Fee income including advisory fees is accounted on accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- 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.
- Income from treasury comprises of profit/loss on derivative instruments. Realised profit/loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards/futures/options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, market intermediary quotes, valuation techniques are used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Interest income is recognised on accrual basis.
- Interest on delayed payment is recognised on accrual basis by reference to the agreements entered.
- Warehouse income is recognised on accrual basis by reference to the agreements entered.
- Sale during the course of import by transfer of documents of title i.e. high seas sale is booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the customs frontiers of India.
- Agency commission/procurement income is recorded as net of agency sales and agency purchase for transactions recorded in pursuant to the terms and conditions mentioned in scope of work /Agreement.

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 upto the date of disposal.

As per the requirements 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:



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Notes to the financial statements (Continued)

Class of asset	Estimated useful life
Building (Other than Factory building)	60 years
Plant and equipments	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

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

1.5 Fixed assets and depreciation (continued)

Intangible fixed assets

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

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

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. The recoverable amount is the higher of the asset's 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.

1.7 Stock in trade

- The securities held as stock-in-trade are valued at lower of weighted average cost or market value. In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- Inventories in the form of commodities are valued at cost or net realisable value, whichever is lower.



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Notes to the financial statements (Continued)

1.8 Investments

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

Non-current (long-term) investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

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

1.9 Foreign currency transactions

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

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

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 and national pension scheme

The Company contributes to a recognised provident fund and national pension scheme 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.



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Notes to the financial statements (Continued)

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

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

Compensated leave absences

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

1.11 Operating lease

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

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 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 dilutive potential equity shares.

1.13 Taxation

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

Current tax

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

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a



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Notes to the financial statements (Continued)

virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain, as the case may be, to be realised.

1.14 Provisions and contingencies

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

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

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

1.15 Presentation of financial assets and liabilities

Financial assets and liabilities are offset and the net amounts are presented in the Balance Sheet where the Company has a legal right to set off the recognised amounts. Such legal rights are by virtue of a binding legal contract or by an irrevocable undertaking executed by the Company. The aforesaid policy is generally applied to offset receivables from and payables to same counterparties; to offset fixed deposits specifically pledged with banks against the borrowings availed from them and other such similar qualifying arrangements.



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Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.1 Share capital		
a) Authorised:		
110,000,000 (Previous year: 110,000,000) equity shares of Rs. 10 each	1,100.00	1,100.00
	<u>1,100.00</u>	<u>1,100.00</u>

b) Issued, Subscribed and Paid up:		
100,050,000 (Previous year: 100,050,000) equity shares of Rs. 10 each, fully paid up	1,000.50	1,000.50
	<u>1,000.50</u>	<u>1,000.50</u>

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

c) Reconciliation of shares outstanding at the beginning and at the end of the year:				
	31 March 2017		31 March 2016	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid				
Outstanding at the beginning of the year	100,050,000	1,000.50	100,050,000	1,000.50
Issued during the year	-	-	-	-
Outstanding at the end of the year	100,050,000	1,000.50	100,050,000	1,000.50

d) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:				
	31 March 2017		31 March 2016	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares				
Edelweiss Commodities Services Limited, the holding company and its nominees	100,050,000	100%	100,050,000	100%

e) Details of share in the Company held by each shareholder holding more than 5% shares:				
	31 March 2017		31 March 2016	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid				
Edelweiss Commodities Services Limited, the holding company	100,050,000	100%	100,050,000	100%

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

Note 1:

No shares allotted as fully paid-up pursuant to contract without payment being received in cash by the Company since the incorporation of the Company.

Note 2:

No shares allotted as fully paid up by way of bonus shares by the Company since incorporation of the Company.

Note 3:

No shares bought back by the Company since the incorporation of the Company.



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Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.2 Reserves and surplus		
Debenture redemption reserve		
Opening balance	-	-
Add : Additions during the year	32.84	-
	32.84	-
Surplus/(deficit) in the statement of profit and loss		
Opening balance	14.86	(0.17)
Add: profit for the year	18.00	15.03
Amount available for appropriation	32.86	14.86
Appropriations:		
Transfer to debenture redemption reserve	(32.84)	-
	0.02	14.86
	32.86	14.86
2.3 Long-term borrowings		
Secured		
Non-convertible debentures	3,300.00	-
(The debentures are secured by a first mortgage and charge over the immovable property and pari passu charge on the receivables and stock-in-trade to the extent equal to the principal and interest amount i.e. redemption value of debentures) (refer note 2.37).		
	3,300.00	-
2.4 Long-term provisions		
Provision for employee benefits		
Gratuity	7.11	3.40
Compensated leave absences	3.27	2.81
	10.38	6.21
2.5 Short-term borrowings		
Secured		
Overdraft from banks	252.07	1,199.16
(Secured by pari-passu charge on current assets and corporate guarantee of ultimate holding company, at variable rate of interest)		
Buyer's credit	316.92	-
(Secured by pledge of fixed deposits with banks) (net of fixed deposit pledge)		
	568.99	1,199.16
Unsecured		
Loans from related parties	-	2,909.44
(Loans are repayable on demand at variable rate of interest)		
Commercial paper	1,500.00	1,500.00
Less: Unamortised discount on commercial paper	(14.82)	(21.98)
(Repayable on 19 May 2017)		
	1,485.18	1,478.02
	2,054.17	5,586.62



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Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.6 Trade payables		
Trade payables (refer note 2.34) (includes sundry creditors and provision for expenses)	375.15	375.46
	<u>375.15</u>	<u>375.46</u>
2.7 Other current liabilities		
Interest accrued but not due on borrowings	258.24	-
Interest accrued and due on borrowings	-	21.90
Other payables		
Accrued salaries and benefits	31.42	36.99
Withholding tax, service tax and other statutory dues payable	12.26	34.82
Advances from customers	80.22	2,221.35
Retention money payable	0.10	0.14
Others	11.08	9.49
	<u>393.32</u>	<u>2,324.69</u>
2.8 Short-term provisions		
Provision for employee benefits		
Gratuity	0.25	0.07
Compensated leave absences	0.84	0.73
Others		
Provision for taxation (net of tax deducted at source and advance tax)	24.42	-
	<u>25.51</u>	<u>0.80</u>



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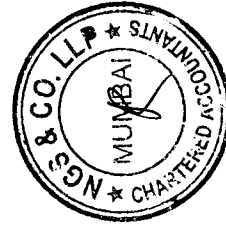
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Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.9 Fixed assets

Description of assets	Gross block			Depreciation and amortisation			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	Charge for the year	Deductions during the year	As At 31 March 2017
Tangible assets								
Building	-	1.54	-	1.54	-	0.06	-	1.48
Plant and equipments	8.41	0.26	-	8.67	1.91	1.20	-	5.56
Furniture and fixtures	5.08	0.07	0.01	5.14	0.87	1.04	-	3.23
Vehicles	1.89	2.27	-	4.16	0.68	0.80	-	2.68
Office equipment	21.66	12.01	0.02	33.65	8.31	7.77	0.01	17.58
Computers and networking	25.00	7.85	0.47	32.38	12.33	8.43	0.33	11.95
Leasehold improvements	7.00	0.38	0.18	7.20	1.81	2.12	0.06	3.33
Total: A	69.04	24.38	0.68	92.74	25.91	21.42	0.40	45.81
Intangible assets								
Computer software	29.30	33.36	-	62.66	10.18	13.54	-	38.94
Total: B	29.30	33.36	-	62.66	10.18	13.54	-	38.94
Grand total [A+B]	98.34	57.74	0.68	155.40	36.09	34.96	0.40	84.75
Previous year	52.80	46.85	1.31	98.34	6.86	29.56	0.33	62.25



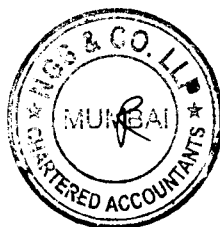
Edelweiss Agri Value Chain Limited

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Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017			As at 31 March 2016		
	Face value*	Quantity	Amount	Face value*	Quantity	Amount
2.10 Non-current investments						
Others (unquoted)						
Investments in preference shares of a related party (fully paid up)						
Non cumulative non convertible redeemable						
7% Edelweiss Broking Limited	10	250,000	250.00	10	250,000	250.00
			<u>250.00</u>			<u>250.00</u>
Aggregate value of unquoted investment			250.00			250.00
At carrying value						
* Amount in rupees						



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Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.11 Deferred tax		
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	-	2.04
	-	2.04
Deferred tax assets		
Difference between book and tax depreciation	0.11	-
Disallowances under section 43B of the Income Tax Act, 1961	3.97	2.32
Others	72.75	3.72
	76.83	6.04
Deferred tax assets (net)	76.83	4.00
2.12 Long-term loans and advances		
Unsecured, considered good		
Capital advances	-	0.18
Rental deposits	25.27	17.45
Other loans and advances		
Advance income tax (net of provision)	11.81	2.59
	37.08	20.22
2.13 Other non-current assets		
Long term deposits with banks		
Held as margin money or security against borrowings, guarantees (Refer note 2.29)	27.68	12.12
Accrued interest on fixed deposits	3.40	-
	31.08	12.12



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Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	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	1,000.00	-	-	-
Commodities *						
Agricultural products			-			7,467.46
Consumables			6.23			9.47
			<u>1,006.23</u>			<u>7,476.93</u>

* Quantitative details of individual commodities not given due to varied nature of products and measurement units.



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Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	As at 31 March 2017	As at 31 March 2016
2.15 Trade receivables		
Outstanding for a period exceeding six months		
Secured, considered good	42.40	218.46
Unsecured, considered doubtful	198.14	21.61
	240.54	240.07
Less: provision for doubtful debts	198.14	-
	42.40	240.07
Other debts		
Unsecured, considered good	2,117.17	956.26
	2,117.17	956.26
	2,159.57	1,196.33
2.16 Cash and bank balances		
Cash and cash equivalents		
in current accounts	13.60	33.71
Cash on hand	0.01	0.37
	13.61	34.08
Other balances with banks		
Short term deposits with banks:		
Held as margin money or security against borrowings, guarantees (Refer note 2.29)	314.34	70.66
	327.95	104.74
2.17 Short-term loans and advances		
Unsecured, considered good		
Loans to a related party	1,915.53	-
Loans and advance to others	1,048.68	-
Other loans and advances		
Security deposits	82.40	48.44
Prepaid expenses	17.98	2.49
Loans and advances to employees	4.82	2.30
Vendor advances	3.36	31.51
Input tax credit	29.42	74.97
Advance income tax (net of provision for tax)	19.00	11.81
Advances recoverable in cash or in kind or for value to be received	0.98	0.18
	3,122.17	171.70
2.18 Other current assets		
Accrued interest on fixed deposits	0.13	0.36
Accrued interest on loans given	74.72	-
Margin placed with broker	16.96	-
	91.81	0.36



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Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.19 Fee and warehousing income		
Warehouse charges	812.16	696.42
Advisory and other fees	213.33	29.67
	1,025.49	726.09
2.20 Income from treasury operations and investments		
Loss on trading in currency derivative instruments (net)	(30.98)	-
Gain due to foreign exchange movement on trade	79.11	-
	48.13	-
2.21 Interest income		
Interest income on loan	368.18	0.03
Interest income on fixed deposits	34.39	2.48
Interest income on margin with brokers	0.03	-
Interest income on delayed payments	293.29	388.74
	695.89	391.25
2.22 Other income		
Profit on sale of fixed assets (net)	-	0.16
Miscellaneous income	3.65	2.20
	3.65	2.36
2.23 Employee benefit expenses		
Salaries and wages	291.74	248.13
Contribution to provident and other funds	15.00	11.95
Staff welfare expenses	14.47	10.11
	321.21	270.19
2.24 Finance costs		
Interest on debentures	257.47	-
Interest on bank overdraft	40.55	0.44
Interest on loans from holding company	7.29	249.91
Interest - others	0.06	0.14
Discount on commercial paper	198.57	0.79
Financial and bank charges	11.03	1.04
Interest on buyers credit	3.97	-
	518.94	252.32



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Notes to the financial statements (Continued)

(Currency: Rupees in millions)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.25 Other expenses		
Advertisement and business promotion	1.19	1.64
Auditor's remuneration (refer note below)	1.77	1.24
Balance written off	1.35	-
Commission and brokerage	0.49	2.23
Communication	12.85	11.79
Computer expenses	6.75	6.05
Clearing and forwarding charges	6.78	6.99
Director's sitting fees	0.44	0.10
Dunnage and fumigation expense (net)	22.20	33.89
Electricity charges (Refer note 2.39)	5.49	5.12
Foreign exchange loss (net)	0.02	1.96
Insurance (net)	18.17	19.48
Legal and professional fees	16.16	6.04
Loss on sale of fixed assets (net)	0.11	-
Membership and subscription	0.62	1.71
Office expenses	13.54	30.68
Postage and courier	1.64	2.29
Printing and stationery	4.91	6.19
Provision for doubtful debts	198.14	-
Rates and taxes	9.47	8.15
Rating support fees	6.80	-
Rent (Refer note 2.39)	546.06	370.99
Repairs and maintenance - building	-	0.03
Repairs and maintenance - others	1.44	2.76
ROC expenses	0.01	0.02
Service tax expenses	55.65	24.02
Stamp duty	1.80	0.81
Stock exchange expenses	1.09	0.67
Transportation charges (net)	5.31	5.29
Travelling and conveyance	34.41	27.58
Warehousing charges	57.44	87.15
Miscellaneous expenses	0.98	4.09
Housekeeping and security charges	29.80	-
	1,062.88	668.96
Note:		
Auditors' remuneration:		
As auditor's	1.60	1.20
For reimbursement of expenses	0.17	0.04
	1.77	1.24



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Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.26 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	Supply chain management, interest income and investment activities
Agency business	Warehouse and other fee based services

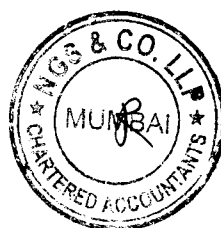
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and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

Secondary segment (Geographical 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	14,357.88	9,095.76
	b) Agency business	921.03	750.23
	Total	15,278.91	9,845.99
	Less : Inter segment revenue	-	-
	Total Income	15,278.91	9,845.99
ii)	Segment results		
	a) Capital based business	45.36	6.51
	b) Agency business	(14.09)	16.56
	Profit before tax	31.27	23.07
	Less: Provision for tax	(13.27)	(8.04)
	Profit after tax	18.00	15.03



Edelweiss Agri Value Chain Limited

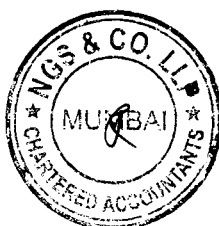
(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.26 Segment reporting (Continued)

Sr. No.	Particulars	As at 31 March 2017	As at 31 March 2016
iii)	Segment assets		
	a) Capital based business	6,706.86	8,670.44
	b) Agency business	377.38	620.31
	c) Unallocated (Refer note 1)	107.65	18.39
	Total	7,191.89	9,309.14
iv)	Segment liabilities		
	a) Capital based business	6,087.84	8,210.92
	b) Agency business	46.28	82.86
	c) Unallocated (Refer note 1)	24.41	-
	Total	6,158.53	8,293.78
v)	Capital expenditure (including work in Progress)		
	a) Capital based business	25.96	25.58
	b) Agency business	25.71	26.17
	Total	51.67	51.75
vi)	Depreciation and amortisation expense		
	a) Capital based business	16.88	13.23
	b) Agency business	18.08	16.33
	Total	34.96	29.56
vii)	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	199.21	0.47
	b) Agency business	3.39	1.26
	Total	202.60	1.73
Note 1: Unallocated assets represent deferred tax and advance tax.			



Edelweiss Agri Value Chain Limited

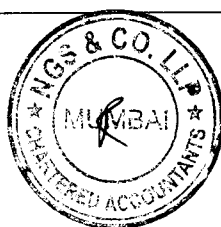
(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (continued)

(Currency: Rupees in millions)

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.	Name of the related parties by whom control is exercised
	Edelweiss Commodities Services Limited, the holding company
	Edelweiss Financial Services Limited, the ultimate holding company
B.	Fellow Subsidiaries with whom the Company has transactions
	ECL Finance Limited
	Edel Commodities Trading Limited (till 17 November 2016)
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)
	Edel Commodities Limited
	Edelweiss Investments Adviser Limited
	Edelweiss Securities Limited
	Edelweiss Insurance Brokers Limited
	ECap Equities Limited
	Edelweiss Multi Strategy Funds Management Private Limited
	Edelweiss Finance and Investments Limited
	Edelweiss Asset Reconstruction Company Limited (w.e.f. 16 September 2016)
	Edelweiss Global Wealth Management Limited
	EFSL Trading Limited (formerly EFSL Commodities Limited)
	Edelweiss Broking Limited
	Aster Commodities DMCC
	Eternity Business Centre Limited
	Edelweiss Custodial Services Limited
	Edelweiss Housing Finance Limited
C.	Key Management Personnel with whom transactions have taken place
	Mr. Santosh Dadheech (Executive Director)



Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

2.27 Related party disclosure (continued)

Nature of Transaction	Name of the related party	FY 2016-2017	FY 2015-2016
Capital account transactions during the year			
Current account transactions during the year			
Short term loans taken from (Refer note 1)	Edelweiss Financial Services Limited	185.88	3,800.17
	Edelweiss Commodities Services Limited	-	2,908.49
Short term loans repaid to (Refer note 1)	Edelweiss Financial Services Limited	186.83	5,535.66
	Edelweiss Commodities Services Limited	2,908.49	-
Short term loans given to (Refer note 1 and 3)	Edelweiss Commodities Services Limited	5,364.77	-
Short term loans repaid by (Refer note 1 and 3)	Edelweiss Commodities Services Limited	3,449.25	0.54
Margin placed with (Refer note 1)	Edelweiss Securities Limited	18.78	-
	Edelweiss Custodial Services Limited	16.96	-
Margin withdrawn from (Refer note 1)	Edelweiss Securities Limited	17.79	-
Purchase/subscription of commercial paper from	Ecap Equities Limited	1,000.00	-
Sale / Redemption of debentures to	Edelweiss Commodities Services Limited	500.00	-
Income			
Sale of commodities to	Edelweiss Commodities Services Limited	-	16.24
Interest income margin	Edelweiss Custodial Services Limited*	0.01	-
	Edelweiss Securities Limited	0.03	-
Interest income on loans to	Edelweiss Commodities Services Limited	368.18	0.03
Warehouse income from	Edel Commodities Trading Limited	-	4.76
	Edelweiss Commodities Services Limited	103.25	278.27
	EFSL Trading Limited	-	0.27
Commission paid to	Edelweiss Commodities Services Limited*	0.01	-
Commission received from	Edelweiss Commodities Services Limited	-	0.57
Collateral management fees received from	ECL Finance Limited	10.45	9.63
Cost reimbursements received from	Edelweiss Commodities Services Limited	74.98	2.85
Expenses			
Rating and support fees	Edelweiss Financial Services Limited	6.80	-
Purchase of Computer	Edelweiss Global Wealth Management Limite	0.08	-
	ECL Finance Limited	0.11	-
	Edelweiss Insurance Brokers Limited	0.02	-
	Edelweiss Housing Finance Limited	0.05	-
	Edelweiss Commodities Services Limited	0.43	-
	Edelweiss Multi Strategy Funds Management private limited	0.02	-
	Edelweiss Finance and Investments Limited	0.01	-
	Edelweiss Financial Services Limited	0.04	-
	Edelweiss Broking Limited	0.05	-
	Edelweiss Securities Limited	0.25	-



Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

2.27 Related party disclosure (continued)

Nature of Transaction	Name of the related party	FY 2016-2017	FY 2015-2016
Purchase of commodities from	Edelweiss Commodities Services Limited	-	282.48
	Aster Commodities DMCC	-	176.87
Interest expenses on loans from	Edelweiss Financial Services Limited	0.73	249.00
	Edelweiss Commodities Services Limited	6.56	0.91
Cost reimbursements paid to	Edelweiss Commodities Services Limited	39.81	18.09
	Edelweiss Financial Services Limited	12.01	88.72
	EFSL Trading Limited *	0.01	-
	Edelweiss Business Services Limited	-	-
	Eternity Business Centre Limited	0.37	-
Reimbursements paid to	Edelweiss Commodities Services Limited	43.22	-
	Edelweiss Financial Services Limited	42.46	-
	Edelweiss Business Services Limited	165.70	24.53
Legal and professional fees to	Edelweiss Securities Limited *	-	0.01
	Edelweiss Business Services Limited	1.11	-
Processing fees paid to	Edelweiss Business Services Limited	0.23	0.44
Warehouse expense to	Edel Commodities Limited	11.82	11.46
	Edelweiss Securities Limited	2.42	14.72
Transaction charges to	Edelweiss Securities Limited	0.89	0.66
Nomination deposits paid	Edelweiss Commodities Services Limited	0.40	-
Clearing expenses to	Edelweiss Securities Limited*	0.01	-
Interest expenses on debt instruments from	Ecap Equities Limited	2.29	-
	Edelweiss Commodities Services Limited	0.81	-
Remuneration paid to (Refer note 2)	Santosh Dadheech	23.88	7.74
Balances with related parties (Assets) as on 31 March 2017			
Investment in preference shares in	Edelweiss Broking Limited	250.00	250.00
Trade receivables from	Edelweiss Business Services Limited		
	Edelweiss Securities Limited	1.00	-
	Edelweiss Insurance Brokers Limited	0.04	-
	Edel Commodities Trading Limited *	0.01	4.67
	Edelweiss Asset Reconstruction Company Limited	0.03	-
	Edelweiss Commodities Services Limited	28.26	251.78
	EFSL Trading Limited	0.24	0.27
	Edelweiss Custodial Services Limited*	0.01	-
	ECL Finance Limited	0.38	1.07
	Edelweiss Financial Services Limited	0.05	0.05
Margin receivable from	Edelweiss Custodial Services Limited	16.96	-
Short term loans and advances given to	Edelweiss Commodities Services Limited	1,915.53	-
Accrued interest income on loans given to	Edelweiss Commodities Services Limited	74.72	-
Advances recoverable from	Edelweiss Commodities Services Limited	-	0.18
	Edelweiss Investments Adviser Limited *	-	0.01
	ECL Finance Limited	0.15	-



Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (Continued)

(Currency: Rupees in millions)

2.27 Related party disclosure (continued)

Nature of Transaction	Name of the related party	FY 2016-2017	FY 2015-2016
Balances with related parties (Liabilities) as on 31 March 2017			
Short term loans payables	Edelweiss Financial Services Limited	-	0.95
	Edelweiss Commodities Services Limited	-	2,908.49
Trade payables to	Eternity Business Centre Limited *	0.01	-
	Edelweiss Multi Strategy Funds Management private limited	0.02	-
	Edelweiss Commodities Services Limited	3.49	-
	Edelweiss Business Services Limited	1.53	0.46
	ECL Finance Limited	0.01	-
	Edel Commodities Limited	-	11.46
	Edelweiss Securities Limited	-	3.82
Accrued interest expense on loans taken from	Edelweiss Financial Services Limited	-	21.08
	Edelweiss Commodities Services Limited	-	0.82
Security deposits payable to	Edelweiss Commodities Services Limited	-	0.40
Accrued salaries and benefits	Santosh Dadheech	13.00	-

* amount is less than Rs. 0.01 million

Note 1:

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.

Note 2:

Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and leave encashment which are provided for group of employees on an overall basis. These are included on cash basis.

Note 3:

Loan given to holding company are for general corporate business.



Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.28 Contingent liabilities and capital commitments (to the extent not provided for):

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

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs. 32.82 million (Previous year: Rs. 29.38 million)

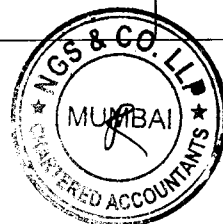
The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

2.29 Encumbrances on fixed deposits held by the Company:

Sr. No.	Particulars
i)	Fixed deposits aggregating to Rs. 27.39 million (Previous year: Rs. 10.07 million) have been pledged with Agriculture Produce Market Committee for mandi license.
ii)	Fixed deposits aggregating to Rs. 7.67 million (Previous year: Rs. 0.42 million) have been pledged with sales tax authorities for meeting deposit requirements.
iii)	Fixed deposits aggregating to Rs. 304.46 million (Previous year: Rs. 70.00 million) have been pledged with banks against Overdraft and buyers credit..
iv)	Fixed deposits aggregating to Rs. 2.50 million (Previous year: Rs. 7.54 million) have been pledged with Customs authorities for Warehouse License.

2.30 Earnings per share:

In accordance with Accounting Standard 20 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:			
Sr. No.	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
i)	Profit after tax (as per statement of profit and loss) (a)	18.00	15.03
ii)	Calculation of weighted average number of equity shares of Rs.10 each:		
	Number of shares outstanding at the beginning of the year	100,050,000	100,050,000
	Number of Shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	100,050,000	100,050,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares) (b)	100,050,000	100,050,000
iii)	Basic and diluted earnings per share (Face value Rs 10) (in rupees) (a)/(b)	0.18	0.15



Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.31 Details of stock-in-trade:

Commodities:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Opening stock	7,467.46	2,878.30
(b) Purchase	5,842.19	13,191.05
(c) Sales	1,3505.75	8,726.29
(d) Closing stock	-	7,467.46
(e) Profit on sale of commodities (c + d - a - b)	196.10	124.40

Securities: Mutual Fund

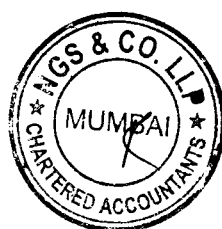
Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Opening stock	-	-
(b) Purchase	1,000.00	-
(c) Sales	-	-
(d) Closing stock	1,000.00	-
(e) Profit on sale of commodities (c + d - a - b)	-	-

2.32.1 Earnings in foreign currency:

Sr. No.	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a)	F.O.B. value of exports	-	303.06

Value of import on C.I.F. basis:

Sr. No.	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a)	Commodities	3,194.39	182.94



Edelweiss Agri Value Chain Limited

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Notes to the financial statements (continued)

(Currency: Rupees in millions)

2.32.2 Expenditure in foreign currency from India:

Sr. No.	Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a)	Travelling and conveyance - foreign travel	0.05	0.03
(b)	Membership and subscription	0.28	0.63
(c)	Import of goods	0.81	-
(d)	Financial and bank charges	-	0.08
(e)	Office equipments	0.31	-
(f)	Revalidation charges (testing)	0.04	-

2.33 Operating leases:

The Company has taken warehouses and office premises under operating lease agreements. Gross rental expenses for the year ended 31 March 2017 aggregated to Rs. 546.06 million (Previous year: Rs. 370.99 million) (Refer Note – 2.25) which has been included under the head other expenses – Rent in the statement of profit and loss.

Non-cancellable operating lease obligation:

Sr. No.	Particulars	As at 31 March 2017	As at 31 March 2016
1	Not later than one year	45.41	241.02
2	Later than one year but not later than five years	25.92	126.91
3	Later than five years	-	-

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

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



Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (continued)

(Currency: Rupees in millions)

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

A) Defined contribution plan (Provident fund and national pension scheme):

Amount of Rs. 15.00 million (Previous year: Rs. 11.95 million) is recognized as expense and included in "Employee benefit expenses" – Note 2.23 in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

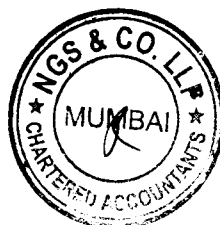
The following tables summarize the components of the net benefit expenses recognised in the statement of profit and loss, the unfunded status and amount recognised in the balance sheet for the gratuity benefit plan

Reconciliation of defined benefit obligation (DBO)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Present value of DBO at the start of the year	3.47	0.98
Transfer in / (out)	0.95	0.18
Current service cost	2.87	1.98
Interest cost	0.33	0.09
Benefits paid	-	-
Actuarial loss / (gain)	(0.25)	0.24
Present value of DBO at the end of the year	7.36	3.47

Net liability recognised in the balance sheet:

Particulars	As at 31 March 2017	As at 31 March 2016
Liability at the end of the year	7.36	3.47
Fair value of plan assets at the end of the year	-	-
Amount in balance sheet – liability	7.36	3.47



Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (continued)

(Currency: Rupees in millions)

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

Expenses recognised in the statement of profit & loss:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	2.87	1.98
Interest cost	0.33	0.09
Actuarial loss	(0.25)	0.24
Employer expense	2.95	2.31

Expenses recognised in the statement of profit & loss (continued):

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Defined benefit obligation	7.36	3.47	0.98
Fair value of plan assets	-	-	-
Surplus / (deficit)	(7.36)	(3.47)	(0.98)
Experience adjustment on plan liabilities: (gain)/loss	(0.52)	0.15	*-
Experience adjustment on plan assets: gain/(loss)	N.A.	N.A.	N.A.

* Being the first actuarial valuation

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% to 25%	13% to 25%



Edelweiss Agri Value Chain Limited

(Formerly known as Edelweiss Integrated Commodity Management Limited)

Notes to the financial statements (continued)

(Currency: Rupees in millions)

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

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	*	*	*
(+) Permitted receipts	-	*	0.10
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	*	*	0.16
Closing cash in hand as on 30.12.2016	-	*	*
* amount is less than Rs. 0.01 million			

2.37 Details of Debentures as at 31 March 2017

Maturities	>3 years	1- 3 years	< 1 year	Total
Rate of interest				
9.00 – 9.99 %	-	3,300	-	3,300

2.38 The following currency futures have open interests as on the balance sheet date:

Open interest's currency futures-USD INR as on the balance sheet date

Sr. No	Name of currency future	As at 31 March 2017		As at 31 March 2016	
		No. of contracts	Number of units involved	No. of contracts	Number of units involved
1	Long position	10,404	10,404,000	-	-

2.39 Cost sharing and other recoveries:

Fellow subsidiaries, Eternity Business Centre Limited and Edelweiss Commodities Services Limited, being the holding company incurs expenditure like rent expenditure, electricity expenditure etc., which is for the benefit of the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied and actual identifications etc. Accordingly, and as identified by management, the expenditure heads in note 2.25 in the statement of the profit and loss are inclusive of the reimbursements.



Edelweiss Agri Value Chain Limited

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Notes to the financial statements (continued)

(Currency: Rupees in millions)

- 2.40 The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of account. The Company has not entered into any derivative contracts during the year.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No. 119850W



R. P. Soni

Partner

Membership No:104796



For and on behalf of the Board of Directors of Edelweiss Agri Value Chain Limited



Santosh Dadheech

Executive Director

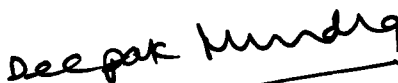
DIN No: 00196204



Kalpana Maniar

Director

DIN No: 00719180



Deepak Mundra

Chief Financial Officer

Mumbai

16 May 2017



Manish Ajmera

Company Secretary

Mumbai

16 May 2017