

Independent Auditors' Report

To the Directors of
Aster Commodities DMCC

Report on the Financial Statements

We have audited the accompanying financial statements of **Aster Commodities DMCC** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and 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 preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. This responsibility also includes maintenance of adequate accounting records 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 conducted our audit in accordance with the Standards on Auditing, which requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.



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

Tel.: +91. 22. 4217 3337 | Email: info@ngsco.in

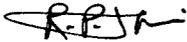
www.ngsco.in

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 Companies Act, 2013 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 2018, and its loss and its cash flows for the year ended on that date.

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



R.P.Soni
Partner
Membership No. 104796



Place: Mumbai
Date: 23 April 2018

Aster Commodities DMCC

Balance Sheet

(Currency : Indian rupees)

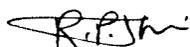
	Note	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	133,729,953	133,729,953
Reserves and surplus	2.2	1,417,831,095	2,094,076,073
		<u>1,551,561,048</u>	<u>2,227,806,026</u>
Non-current liabilities			
Long-term provisions	2.3	1,257,476	12,163,835
Current liabilities			
Short-term borrowings	2.4	-	58,603,167
Trade payables	2.5	334,135,059	136,098,569
Other current liabilities	2.6	42,463,551	85,945,100
Short-term provisions	2.7	287,948	2,636,000
TOTAL		<u>1,929,705,082</u>	<u>2,523,252,697</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.8	142,470,640	154,884,705
Intangible assets		199,590	299,370
Other non-current assets	2.9	-	118,230,594
		<u>142,670,230</u>	<u>273,414,669</u>
Current assets			
Trade receivables	2.10	369,479,139	454,160,614
Cash and bank balances	2.11	110,230,410	344,373,698
Short term loans and advances	2.12	1,289,344,593	661,056,232
Other current assets	2.13	17,980,710	790,247,484
		<u>1,787,034,852</u>	<u>2,249,838,028</u>
TOTAL		<u>1,929,705,082</u>	<u>2,523,252,697</u>

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

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



R. P. Soni
Partner
Membership No: 104796



Mumbai
23 April 2018

For and on behalf of the Board of Directors



Vinod Soni
Director

23 April 2018

Aster Commodities DMCC

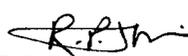
Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Income from treasury operations	2.14	(345,372,017)	40,769,561
Sale of commodities		-	20,025,217,773
Other operating revenue	2.15	67,678,003	299,620,828
Other income	2.16	42,599,093	49,801,564
Total revenue		(235,094,921)	20,415,409,726
Expenses			
Purchases of commodities		-	20,113,718,932
Changes in stock-in-trade of commodities		-	97,000,123
Employee benefit expenses	2.17	20,018,660	197,742,387
Finance costs	2.18	30,080,637	262,702,996
Depreciation and amortization expenses	2.8	11,753,938	77,926,737
Other expenses	2.19	50,738,968	194,105,291
Total expenses		112,592,203	20,943,196,466
Loss before tax		(347,687,124)	(527,786,740)
Tax expense:		-	-
Loss for the year		(347,687,124)	(527,786,740)
Earnings per ordinary shares (Rs.) (Face value AED 1,000 each)			
Basic and diluted	2.22	(31,607.92)	(47,980.61)
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. Sani

Partner
Membership No.: 104796

Mumbai
23 April 2018



For and on behalf of the Board of Directors



Vinod Soni
Director

23 April 2018

Aster Commodities DMCC

Cash Flow Statement

(Currency : Indian rupees)

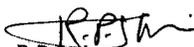
	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Loss before tax	(347,687,124)	(527,786,740)
<i>Adjustments for</i>		
Depreciation and amortisation expenses	11,783,938	77,926,737
Provision for employee benefits	(13,254,411)	(651,165)
Interest income	(58,088,906)	(25,541,262)
Interest expense	2,984,500	146,844,351
Loss on write-off of fixed assets	731	-
Profit on sale of Fixed assets	(533,180)	171,624
Advances written off	3,476,313	80,299,969
Operating cash flow before working capital changes	(401,348,139)	(248,736,486)
Add / (Less): Adjustments for working capital changes		
Decrease in trade receivables, loan and advances and other current assets	1,178,237,138	2,183,945,637
Decrease in stock-in-trade	-	97,000,123
Increase/ (decrease) in trade payables and other current liabilities	3,277,668	(892,207,439)
Net cash generated from operating activities - A	780,166,667	1,140,001,835
B Cash flow from investing activities		
Sale of fixed assets	1,292,356	(785,062)
Decrease/(increase) in unsecured loans given (net) (refer note 1 below)	(636,164,493)	3,493,106,444
Interest received	44,627,411	24,908,120
Net cash (used in)/ generated from investing activities - B	(590,244,726)	3,517,229,502
C Cash flow from financing activities		
(Repayment of)/ proceeds from secured borrowings (net) (refer note 1 below)	(58,603,167)	(4,498,013,947)
Repayment of unsecured loan (net) (refer note 1 below)	-	(765,893,988)
Dividend paid	(328,557,854)	-
Interest paid	(2,984,500)	(148,845,871)
Net cash used in financing activities - C	(390,145,521)	(5,412,753,806)
Net decrease in cash and cash equivalents (A+B+C)	(200,223,580)	(755,522,469)
Cash and cash equivalent as at the beginning of the year	115,201,002	870,723,471
Cash and cash equivalent as at the end of the year (refer note 2.11)	69,532,363	115,201,002

Notes:

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
Firm's Registration No. 119850W


R. P. Soni

Partner
Membership No: 104796

Mumbai
23 April 2018



For and on behalf of the Board of Directors


Vinod Soni
Director

23 April 2018

Aster Commodities DMCC

Notes to the financial statements

for the year ended 31 March 2018

(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, (hereinafter referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian Rupees.

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.

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 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.

1.2 Use of estimates

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

1.3 Current-non-current classification

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

Assets

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

Liabilities

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



Aster Commodities DMCC

Notes to the financial statements (Continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.4 Revenue recognition

- Income from treasury operations comprises of profit/loss on equity, commodities, interest rate and currency 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, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Interest income is recognised on the accrual basis.
- Sale of commodity is recognised when all the significant risks and rewards have been passed to the buyer.
- Purchase and sale of bullion is recorded at the price which is fixed between the buyer and the seller at the future date including the contracts where the price is fixed subsequent to the balance sheet date. In case of unfixed purchase/ sale contracts as at the reporting date, the price is recorded at the market rate as on the reporting date.
- Other income is recognised in accordance with the terms of contracts.

1.5 Fixed assets and depreciation

Tangible fixed assets and Capital work in progress

Tangible fixed assets are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises of 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.

The Company has evaluated the useful lives of the respective fixed assets which are as follows:

Nature of assets	Useful life
Building (other than factory building)	60 years
Plant and machinery	15 years
Furniture and fittings	10 years
Motor vehicles	8 years
Office equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years



Aster Commodities DMCC

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.5 Fixed assets and depreciation (Continued)

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

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated depreciation and impairment, if any.

Jewellery Designing costs are amortised on a straight-line basis over 5 years or its estimated useful life whichever is shorter.

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 or the recoverable amount of the 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 commodity stocks are valued at weighted average cost or net realisable value, whichever is lower.

1.8 Employee benefits

Gratuity

Provision for employees' end of service benefits is made in accordance with the U.A.E. Labour Laws, and is based on current remuneration and periods of service at the end of the reporting period.

Compensated Absences

The eligible employees of certain companies of the Group are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Group 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. The costs of providing annual leave benefits are determined using the projected unit credit method.

1.9 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.



Aster Commodities DMCC

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less

1.11 Earnings per share

The Company reports basic and diluted earnings per share in accordance with the Accounting Standard 20 – “Earnings Per Share” as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the ordinary shareholders for the year by the weighted average number of ordinary shares outstanding during the year.

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

1.12 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.

1.13 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.



Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.1 Share capital		
Authorised :		
11,000 (Previous year: 11,000) Ordinary shares of AED 1,000 each	133,729,953	133,729,953
Issued, subscribed and paid up:		
11,000 (Previous year: 11,000) Ordinary shares of AED 1,000 each, fully paid-up	133,729,953	133,729,953
	<u>133,729,953</u>	<u>133,729,953</u>

Movement in ordinary share capital during the year:

	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Ordinary shares of AED 1,000 each				
Outstanding at the beginning of the year	11,000	133,729,953	11,000	133,729,953
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>11,000</u>	<u>133,729,953</u>	<u>11,000</u>	<u>133,729,953</u>

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

	31 March 2018		31 March 2017	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Ordinary shares				
EC International Limited, the holding company	11,000	100%	11,000	100%

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

	31 March 2018		31 March 2017	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Ordinary shares				
EC International Limited, the holding company	11,000	100%	11,000	100%

Terms/rights attached to ordinary shares

The Company has only one class of ordinary shares having a par value of AED 1,000 each. Each holder of ordinary shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of ordinary 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 ordinary shares held by the shareholders.

2.2 Reserves and surplus

Foreign exchange translation reserves	(5,523,684)	(5,523,684)
Surplus in the statement of profit and loss		
Opening balance	2,099,599,757	2,627,386,497
Add: Loss for the year	(347,687,124)	(527,786,740)
Amount available for appropriation	1,751,912,633	2,099,599,757
Appropriations:		
Interim dividend	(328,557,854)	-
Closing balance	<u>1,423,354,779</u>	<u>2,099,599,757</u>
	<u>1,417,831,095</u>	<u>2,094,076,073</u>

2.3 Long-term provisions

Gratuity	1,199,000	11,327,835
Compensated leave absences	58,476	836,000
	<u>1,257,476</u>	<u>12,163,835</u>



Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.4 Short-term borrowings		
<u>Secured</u>		
Letter of credit discounted (net of fixed deposits) (Secured against fixed deposits; refer note 2.25)	-	58,603,167
	-	58,603,167
2.5 Trade payables		
Trade payables (includes sundry creditors and provision for expenses)	334,135,059	136,098,569
	334,135,059	136,098,569
2.6 Other current liabilities		
Accrued salaries and benefits	1,951,323	46,503,709
Others	40,512,228	39,441,391
	42,463,551	85,945,100
2.7 Short-term provisions		
Provision for employee benefits		
Gratuity	272,000	2,433,000
Leave accumulation	15,948	203,000
	287,948	2,636,000



Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.8 Fixed assets

Description of Assets	Gross block				Depreciation and amortization				Net block	
	As at 1 April 2017	Additions during the year	Deductions / adjustments during the year	As at 31 March 2018	As at 1 April 2017	Charge for the year	Deductions / adjustments during the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Tangible assets										
Building	157,285,446	-	-	157,285,446	24,045,458	6,661,999	-	30,707,457	126,577,989	133,239,988
Leasehold improvements	8,232,218	-	-	8,232,218	3,505,751	236,323	-	3,742,074	4,490,144	4,726,467
Plant and equipment	3,491,290	-	-	3,491,290	2,243,128	233,472	-	2,476,600	1,014,690	1,248,162
Furniture and fixtures	20,190,705	-	805,626	19,385,079	6,813,560	3,459,045	464,044	9,808,561	9,576,518	13,377,145
Vehicles	1,455,064	-	-	1,455,064	1,132,087	102,456	-	1,234,543	220,521	322,977
Office equipment	4,242,561	-	1,172,287	3,070,274	3,488,868	323,885	924,734	2,888,019	182,255	753,693
Computers	4,430,092	-	1,358,997	3,071,095	3,213,819	636,978	1,188,225	2,662,572	408,523	1,216,273
Total	199,327,376	-	3,336,910	195,990,466	44,442,671	11,654,158	2,577,003	53,519,826	142,470,640	154,884,705
Intangible assets										
Jewellery Designs	163,167,900	-	-	163,167,900	163,167,900	-	-	163,167,900	-	-
Software	474,985	-	-	474,985	175,615	99,780	-	275,395	199,590	299,370
Total	163,642,885	-	-	163,642,885	163,343,515	99,780	-	163,443,295	199,590	299,370
Grand Total	362,970,261	-	3,336,910	359,633,351	207,786,186	11,753,938	2,577,003	216,963,121	142,670,230	155,184,075
Previous Year	363,452,732	785,062	1,267,533	362,970,261	130,955,358	77,926,737	1,095,909	207,786,186	155,184,075	



Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.9 Other non-current assets		
Long term deposits with banks (Refer note 2.25) (Held as margin money or security against borrowings, guarantees)	-	116,709,480
Accrued interest on fixed deposits	-	1,521,114
	<u>-</u>	<u>118,230,594</u>
2.10 Trade receivables		
Debtors outstanding for a period exceeding six months (Unsecured, considered good)	333,121,337	388,541,009
Other debts (Unsecured, considered good)	36,357,802	65,619,605
	<u>369,479,139</u>	<u>454,160,614</u>



Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.11 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	69,532,363	115,201,002
Other balances with banks		
Short term deposits with banks (refer note 2.25)	40,698,047	229,172,696
	<u>110,230,410</u>	<u>344,373,698</u>
2.12 Short-term loans and advances (Unsecured, considered good)		
Loans to related parties	1,273,817,505	637,653,012
Other loans and advances		
Advances to others	18,117	-
Deposits- others	469,345	1,301,496
Prepaid expenses	161,376	5,292,208
Loans and advances to employees	-	1,175,287
Input Tax credit	3,198	-
Vendor advances	14,875,052	15,634,229
	<u>1,289,344,593</u>	<u>661,056,232</u>
2.13 Other current assets		
Accrued interest on fixed deposits	91,517	153,827,896
Accrued interest on loans given	17,889,193	4,427,698
Receivable from exchange / clearing house (net)	-	78,806,780
Margin placed with broker	-	553,185,110
	<u>17,980,710</u>	<u>790,247,484</u>



Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.14 Income from treasury operations and investments		
Profit on trading in commodity derivative instruments (net)	(351,387,976)	542,955,555
Loss on trading in currency derivative instruments (net)	14,987,377	(433,710,101)
(Loss)/ profit on trading in interest rate derivative (net)	8,186	(813,702)
(Loss)/ gain on foreign exchange movement on trade	(8,979,604)	(67,662,191)
	<u>(345,372,017)</u>	<u>40,769,561</u>
2.15 Other operating revenue		
Interest income on loan to fellow subsidiary companies	58,088,906	25,541,262
Interest income on fixed deposits	9,589,097	270,076,482
Interest income on overdue accounts	-	4,003,084
	<u>67,678,003</u>	<u>299,620,828</u>
2.16 Other income		
Miscellaneous income	41,563,287	48,972,553
Interest income - others	502,626	829,011
Profit on sale of fixed assets (net)	533,180	-
	<u>42,599,093</u>	<u>49,801,564</u>
2.17 Employee benefit expenses		
Salaries and wages (refer note 2.24)	17,387,833	193,190,322
Staff welfare expenses	2,630,827	4,552,065
	<u>20,018,660</u>	<u>197,742,387</u>
2.18 Finance costs		
Interest on bank overdraft	-	272,298
Interest on loan from holding company	59,282	28,566,804
Interest on loan from fellow subsidiaries	-	27,000,996
Interest - others	-	26,468,787
L.C discounting charges	2,925,218	64,535,466
Finance and bank charges	27,096,137	115,858,645
	<u>30,080,637</u>	<u>262,702,996</u>



Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.19 Other expenses		
Advertisement and business promotion	1,134	268,701
Auditors' remuneration (Refer note below)	775,282	786,815
Advances written off	3,476,313	80,299,969
Commission and brokerage	17,841,807	25,589,124
Communication	2,872,733	3,774,632
Computer software	28,483	-
Clearing and custodian charges	453,538	13,425,807
Electricity charges	210,252	255,102
Freight and forwarding expenses	-	2,479,323
Housekeeping and security charges	79,441	87,096
Insurance	(1,213,262)	2,285,796
Legal and professional fees	13,608,095	36,724,630
Loss on write-off of fixed assets	731	171,624
Membership and subscription	6,490,934	11,604,680
Office expenses	56,919	362,135
Postage and courier	80,433	282,104
Printing and stationery	8,222	103,934
Rent	-	1,047,627
Repairs and maintenance - building	2,721,862	3,150,876
Repairs and maintenance - others	715,559	612,112
Seminar and conference	443,171	1,330,241
Transportation charges	-	9,423
Travelling and conveyance	2,087,321	7,807,544
Warehousing charges	-	1,642,008
Miscellaneous expenses	-	3,988
	50,738,968	194,105,291
Note:		
Auditors' remuneration		
As auditor	775,282	786,815



Aster Commodities DMCC

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

2.20 Segment reporting

The Company has operated only in one business segment during the year viz. capital based business comprising of trading activities. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Further, there are no geographical segments. Hence, no disclosures are required under Accounting Standard 17 on Segment Reporting.

2.21 Related parties

Sr. No.	Particulars
A.	Names of related parties by whom control is exercised
	EC International Limited, the holding company
	Edelweiss Financial Services Limited, Ultimate holding company
B.	Fellow Subsidiaries with whom the Company has transactions
	EC Global Limited
	Edelweiss Commodities Services Limited
	Edel Commodities Limited
	Edelweiss Capital (Singapore) Pte. Limited
	Edelweiss Commodities Pte. Limited (till 5 December 2017)
	Edelweiss International (Singapore) Pte. Limited
	Edelweiss Commodities Chad SARL (till 17 November 2016)
	Edelweiss Commodities Nigeria Limited (till 17 November 2016)
	Edelweiss Tarim Urunleri Anonim Sirketi
	Edelweiss Business Services Limited (formerly known as Edelweiss Web Services Limited)
	Edelweiss Financial Services Inc
	Edelweiss India Capital Management
C.	Key Management Personnel
	Guruprasad Rao (w.e.f. 13 November 2015 till 26 October 2016)
	Udit Sureka (till 23 October 2017)
	Vinod Kumar Soni
	Hiten Kapdi (w.e.f. 26 October 2016 till 30 November 2017))



Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.21 Related parties (continued)

(D) Transactions with related parties :

Nature of transaction	Related party name	For the year ended 31 March 2018	For the year ended 31 March 2017
Capital account transactions			
Interim dividend paid	EC International Limited	328,557,854	-
Current account transactions			
Short term loans taken from (refer note 1 below)	EC Global Limited	-	3,773,047,887
	EC International Limited	5,986,237	737,823,556
	Edelweiss Commodities Pte. Limited	-	326,989,985
Short term loan repaid to (refer note 1 below)	EC Global Limited	-	3,773,047,887
	Edelweiss Commodities Pte. Limited	-	409,156,699
	EC International Limited	5,986,237	1,430,115,728
Short term loans given to (refer note 1 below)	EC Global Limited	354,597,933	23,875,300
	Edelweiss International (Singapore) Pte. Limited	486,649,245	503,061,516
	Edelweiss Capital (Singapore) Pte. Limited	693,555,746	26,829,948
	Edelweiss Commodities Pte. Limited	-	1,657,420,007
	EC International Limited	257,827,415	35,402,286
Short term loans repaid by (refer note 1 below)	EC Global Limited	254,846,554	2,244,571,664
	Edelweiss International (Singapore) Pte. Limited	486,649,245	770,911,475
	Edelweiss Capital (Singapore) Pte. Limited	164,880,632	1,055,610,870
	Edelweiss Commodities Pte. Limited	-	1,657,420,007
	EC International Limited	257,827,415	35,402,286
Secondary market transactions			
Purchases of commodities from	Edelweiss Commodities Chad SARL	-	204,752,345
	Edelweiss Commodities Nigeria Limited	-	151,456,806
	Edelweiss Commodities Pte. Limited	-	1,810,869,345
Sale of commodities to	Edelweiss Commodities Services Limited	-	416,358,818
	Edelweiss Commodities Pte. Limited	-	1,106,991,599
	Edelweiss Tarim Urunleri Anonim Sirketi	-	237,721,490
Interest expenses on loans from	EC Global Limited	-	27,000,996
	EC International Limited	59,282	28,566,804
Net amount earned on settlement of forward contract	EC Global Limited	-	277,455,752
Interest income on loans from	EC Global Limited	53,866,148	25,454,553
	EC International Limited	4,222,758	86,709
Cost reimbursememt recovered from	EC Global Limited	12,431,508	25,771,574
	Edelweiss International (Singapore) Pte. Limited	29,122,475	23,191,151



Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.21 Related parties (continued)

(D) Transactions with related parties :

Nature of transaction	Related party name	For the year ended 31 March 2018	For the year ended 31 March 2017
Legal and professional fees paid to	Edel Commodities Limited	1,151,088	1,807,700
	Edelweiss Financial Services Inc	3,599,826	8,151,397
	Edelweiss India Capital Management	-	17,830,615
	Edelweiss Business Services limited	3,027,100	-
Commission and brokerage paid to	Edelweiss Financial Services Limited	24,739,281	99,503,390
Proceeds from sale of Fixed assets to	Edelweiss International (Singapore) Pte. Limited	1,292,356	-
Remuneration paid (refer note 2 below)	Guruprasad Rao	-	55,734,440
	Udit Sureka	5,364,181	15,122,666
	VinodKumar Soni	4,182,804	6,222,210
	Hiten Kapdi	6,430,385	4,974,754
Balances with related parties			
Trade payables to	Edelweiss Financial Services Limited	-	99,503,390
	Edel Commodities Limited	-	1,807,700
	Edelweiss Business Services limited	374,069	-
	Edelweiss International (Singapore) Pte. Limited	2,301,428	-
	Edelweiss Financial Services Inc	-	8,151,397
Trade receivables from	Edelweiss Financial Services Limited	24,601,251	-
	EC Global Limited	-	25,771,574
	Edelweiss International (Singapore) Pte. Limited	-	23,191,151
Interest accrued on loans given	EC Global Limited	17,889,190	4,427,698
Short-term loans and advances given to	Edelweiss Capital (Singapore) Pte. Limited	533,491,708	-
	EC Global Limited	740,325,797	637,653,012
Off balance sheet item			
Corporate guarantee given by	Edelweiss Financial Services Limited	-	6,044,300,327

Note :

1) Loan given/taken to/from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.

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. The variable compensation included herein is on cash basis.



Aster Commodities DMCC

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian rupees)

2.22 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 2018	For the year ended 31 March 2017
a)	Shareholders earnings (as per statement of profit and loss)	(347,687,124)	(527,786,740)
b)	Calculation of weighted average number of ordinary shares of 1000 AED each:		
	- Number of shares at the beginning of the year	11,000	11,000
	- Shares issued during the year	-	-
	Total number of ordinary shares outstanding at the end of the year	11,000	11,000
	Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	11,000	11,000
c)	Basic and diluted earnings per share (in rupees) (a/b)	(31,607.92)	(47,980.61)

The basic and diluted earnings per share are the same as there is no dilutive/ potential ordinary shares issued.

2.23 Contingent liabilities and capital commitment

Sr. No	Particulars	As at 31 March 2018	As at 31 March 2017
i)	Contingent liabilities	-	-
ii)	Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-



Aster Commodities DMCC

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian rupees)

2.24 Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits

Defined benefit plan (Gratuity)

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

Expenses recognised in the statement of profit and loss:

Particulars	For the year ended 31 March 2018 (INR'000)	For the year ended 31 March 2017 (INR'000)
Current service cost	163	1,944
Interest cost	936	1,028
Exchange rate adjustment	(23)	(177)
Actuarial loss/(gain)	(10,472)	406
Total included in 'Employee Benefit Expenses'	(9,396)	3,201

Net (liability) / asset recognised in the balance sheet:

Particulars	As at 31 March 2018 (INR'000)	As at 31 March 2017 (INR'000)
Present value of defined benefit obligation (DBO)	1,471	13,761
Fair value of plan assets	-	-
Net (liability) / assets recognised in the balance sheet	1,471	13,761

Reconciliation of Defined benefit obligation:

Particulars	As at 31 March 2018 (INR'000)	As at 31 March 2017 (INR'000)
Present value of DBO at start of the year	13,761	13,893
Transfer In/(Out)	-	-
Interest cost	936	1,028
Current service cost	163	1,944
Benefits Paid	(2,894)	(3,333)
Past service cost	-	-
Exchange rate adjustment	(23)	(177)
Actuarial (gain)/loss on obligations:	(10,472)	406
Present value of DBO at the end of the year	1,471	13,761



Aster Commodities DMCC

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian rupees)

2.24 Disclosure pursuant to Accounting Standard 15 (Revised) – Employee Benefits (Continued)

Experience Adjustment:

Particulars	(INR'000)				
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Defined benefit obligation	1,471	13,761	13,893	9,963	2,971
Fair value of plan assets	-	-	-	-	-
Surplus / (deficit)	(1,471)	(13,761)	(13,893)	(9,963)	(2,971)
Experience adjustment on plan liabilities: (gain)/loss	(10,439)	71	316	1,216	N.A.*
Experience adjustment on plan assets: (gain)/loss	-	-	-	-	N.A.

* Being the first actuarial valuation

Principal actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.30%p.a	6.8%p.a
Salary escalation	7% p.a	7% p.a
Employee attrition rate	13% to 25%	13% to 25%
Mortality rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working lives of employees	4 years	4 years

2.25 Encumbrances on fixed deposits held by the Company

- i) Fixed deposit aggregating to Rs. Nil (Previous year: Rs. 6,027,879,645) have been pledged with banks for securing letter of credit.
- ii) Fixed deposit aggregating to Rs. Nil (Previous year: Rs. 181,548,080) have been pledged with exchange and broker for meeting margin requirements.



Aster Commodities DMCC

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian rupees)

2.26 Details of purchases, sales and stock in trade:

Commodities

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock		
Agri	-	97,000,123
Bullion	-	-
Base Metal	-	-
	-	97,000,123
Purchase		
Agri	-	1,057,288,928
Bullion	-	12,089,073,862
Base Metal	-	6,967,356,142
	-	20,113,718,932
Sale		
Agri	-	1,229,835,106
Bullion	-	11,893,417,486
Base Metal	-	6,901,965,181
	-	20,025,217,773
Closing stock (Refer note)		
Agri	-	-
Bullion	-	-
Base Metal	-	-
	-	-
(Loss)/profit on sale of commodities	-	(185,501,282)

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

2.27 Previous year comparatives

Previous year figures have been regrouped and rearranged wherever necessary

2.28 The following contracts are outstanding as on the balance sheet date:

There are no open positions as at 31 March 2018.



Aster Commodities DMCC

Notes to the financial statements (Continued)

For the year ended 31 March 2018

(Currency: Indian rupees)

2.28 The following contracts are outstanding as on the balance sheet date: (Continued)
Open position as at 31 March 2017

a) Currency derivatives

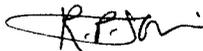
Particulars of contract	Maturity group	Long Positions	Short Positions
		No. of contracts	No. of contracts
AEDUSD	< 1 month	5,000,000 AED	
USDINR	< 1 month	26,808,600 USD	

b) Commodity forward

Particulars of contract	Maturity group	Long Positions	Short Positions
		No. of contracts	No. of contracts
GOLDUSD	< 1 month	22,579	
SILVERUSD	< 1 month	1,310,747	
COFFEE	1-2 months	1	
SILVER	1-2 months	2	
GOLD MINI	2-3 months	10	
ZINC	2-3 months	2	
PALLADIUM	< 1 month		281
GOLD	2-3 months		161
	3-6 months		160
LEAD	2-3 months		3
Total		1,333,341	605

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


Vinod Soni
Director

Mumbai
23 April 2018

23 April 2018