

Independent Auditors' Report

To the Directors of
Edelweiss Commodities Nigeria Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Edelweiss Commodities Nigeria Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2015, 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, 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.



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 2015, 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

R.P. Soni
Partner
Membership No.: 104796
Place: Mumbai
Date: 08 May 2015

Edelweiss Commodities Nigeria Limited

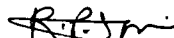
Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2015
EQUITY AND LIABILITIES		
Shareholders' funds		
Share capital	2.1	38,36,574
Reserves and surplus	2.2	(49,11,615)
		<u>(10,75,041)</u>
Current liabilities		
Trade payables	2.3	5,05,545
Other current liabilities	2.4	10,21,42,145
TOTAL		<u><u>10,15,72,649</u></u>
ASSETS		
Non-current assets		
Fixed assets		
Tangible assets	2.5	34,45,678
Current assets		
Stock in trade	2.6	5,43,54,228
Cash and bank balances	2.7	4,01,65,329
Short-term loans and advances	2.8	36,07,414
		<u>9,81,26,971</u>
TOTAL		<u><u>10,15,72,649</u></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



For and on behalf of the Board of Directors



Rupesh Bhosale
Director



Udit Sureka
Director

Mumbai
08 May 2015

08 May 2015

Edelweiss Commodities Nigeria Limited

Statement of Profit and Loss

(Currency : Indian rupees)

		For the year ended 31 March 2015
Revenue from operations		
Sale of commodities		17,96,50,967
Other income	2.9	25,53,407
Total Revenue		<u>18,22,04,374</u>
Expenses		
Purchases of commodities		21,21,08,846
Changes in stock-in-trade		(5,43,54,228)
Employee benefit expenses	2.10	29,68,936
Finance costs	2.11	79,932
Depreciation and amortization expenses	2.5	3,96,845
Other expenses	2.12	2,59,15,658
Total expenses		<u>18,71,15,989</u>
Loss for the year		<u>(49,11,615)</u>
Earnings per ordinary share (Face value of Naira 1 each)		
Basic and diluted	2.15	(0.49)
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
08 May 2015

For and on behalf of the Board of Directors



Rupesh Bhosale
Director



Udit Sureka
Director

08 May 2015

Edelweiss Commodities Nigeria Limited

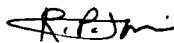
Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2015
A Cash flow from operating activities	
Loss before taxation	(49,11,615)
Adjustments for:	
Depreciation and amortization expenses	3,96,845
Operating cash flow before working capital changes	(45,14,770)
Add/(less): Adjustments for working capital changes	
Increase in stock in trade	(5,43,54,228)
Increase in loans and advances	(36,07,414)
Increase in Trade payables	5,05,545
Increase in liabilities and provisions	10,21,42,145
Net cash generated from operating activities - A	4,01,71,278
B Cash flow from investing activities	
Purchase of fixed assets	(38,42,523)
Net cash used in investing activities - B	(38,42,523)
C Cash flow from financing activities	
Proceeds from issue of share capital	38,36,574
Net cash generated from financing activities - C	38,36,574
Net increase in cash and cash equivalents (A+B+C)	4,01,65,329
Cash and cash equivalents as at the beginning of the year	-
Cash and cash equivalents as at the end of the year (refer note 2.7)	4,01,65,329

As per our report of even data attached.

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




R. P. Soni
Partner
Membership No.: 104795




Mumbai
08 May 2015

For and on behalf of the Board of Directors



Rupesh Chozale
Director



Udit Sureka
Director

08 May 2015

Edelweiss Commodities Nigeria Limited

Notes to the financial statements

for the year ended 31 March 2015

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter together referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian rupees.

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 estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities 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

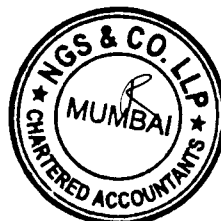
Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within 12 months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.



Edelweiss Commodities Nigeria Limited`

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.3 Current-non-current classification (Continued)

Liabilities

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

- a) It is expected to be settled in the company's normal operating cycle.
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within 12 months after the reporting date; or
- d) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

1.4 Revenue recognition

- a) Sale of commodity is recognised when all the significant risks and rewards have been passed to the buyer.
- b) Interest income is recognised on accrual basis.

1.5 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.



Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.6 Fixed assets and depreciation

Tangible fixed assets

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

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

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

Nature of assets	Useful Life
Furniture and fittings	10 years
Motor vehicles	8 years
Office equipments	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

1.7 Inventories

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

1.8 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share notified under section 133 of the Companies Act 2013, read together with rule 7 of the Companies (Accounts) Rules, 2014. Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of ordinary shares outstanding during the period.

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 by weighted average number of ordinary shares and dilutive potential ordinary shares outstanding at year end.



Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

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.

1.10 Provisions and contingencies

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

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

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



Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

As at
31 March 2015

2.1 Share capital

(a) Authorised	10,000,000 Ordinary shares of Naira 1 each	38,36,574
		38,36,574
(b) Issued, subscribed and paid up:		
	10,000,000 Ordinary shares of Naira 1 each, fully paid up	38,36,574
	(The entire paid up capital is held by EFSL Comtrade Limited, the holding company and its nominees).	
		38,36,574

(c) Movement in ordinary share capital during the year:

	As at 31 March 2015	
	Number of shares	Amount
Outstanding at the beginning of the year	-	-
Issued during the year	1,00,00,000	38,36,574
Outstanding at the end of the year	1,00,00,000	38,36,574

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

	As at 31 March 2015	
	Number of shares	Percentage Shareholding
Ordinary Shares		
EFSL Comtrade Limited, the holding company	1,00,00,000	100%

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

	As at 31 March 2015	
	Number of shares	Percentage Shareholding
Ordinary Shares		
EFSL Comtrade Limited, the holding company	1,00,00,000	100%

(f) Terms/rights attached to ordinary shares

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

Opening balance	-
Add: Loss for the year	(49,11,615)
	(49,11,615)

Deficit in the statement of profit and loss



Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2015
2.3 Trade payables	
Trade payables (includes sundry creditors and provision for expenses)	5,05,545
	<u>5,05,545</u>
2.4 Other current liabilities	
Other payables Advance from customers	10,21,42,145
	<u>10,21,42,145</u>



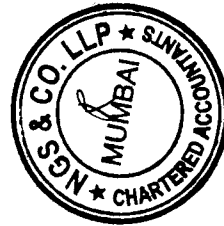
Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.5 Fixed assets

Description of Assets	Gross Block		Depreciation and amortization			Net Block	
	As at 1 April 2014	Additions during the year	Deductions / adjustments during the year	As at 31 March 2015	Charge for the year	Deductions / adjustments during the year	As at 31 March 2015
Tangible assets							
Furniture and fixture	-	2,31,337	-	2,31,337	49,297	-	1,82,040
Motor vehicles	-	21,04,084	-	21,04,084	1,93,108	-	19,10,976
Office equipments	-	14,65,129	-	14,65,129	1,47,449	-	13,17,680
Computer hardware	-	41,973	-	41,973	6,991	-	34,982
Total	-	38,42,523	-	38,42,523	3,96,845	-	34,45,678



Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2015
2.6 Stock-in-trade	
Commodities *	
Agricultural products	5,43,54,228
<p>* Quantitative details of commodities are not given due to the varied nature of products and measurement units</p>	
	<u>5,43,54,228</u>
2.7 Cash and bank balances	
Cash and Cash equivalents	
Cash in hand	2,17,100
Balances with banks in current accounts	3,99,48,229
	<u>4,01,65,329</u>
2.8 Short-term loans and advances	
Unsecured, considered good	
Other loans and advances	
Deposits- others	1,24,792
Prepaid expenses	34,82,622
	<u>36,07,414</u>



Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2015
2.9 Other income	
Gain on foreign exchange movement on trade	24,54,863
Interest income	98,544
	<u>25,53,407</u>
2.10 Employee benefit expenses	
Salaries and wages	29,67,653
Staff welfare expenses	1,283
	<u>29,68,936</u>
2.11 Finance costs	
Financial and bank charges	79,932
	<u>79,932</u>
2.12 Other expenses	
Commission and brokerage	6,49,660
Communication	1,92,510
Clearing and custodian charges	71,62,688
Insurance	6,76,984
Legal and professional fees	23,28,972
Membership and subscription	1,615
Office expenses	3,97,603
Printing and stationery	83,710
Rates and taxes	4,56,314
Repairs and maintenance - others	4,12,345
Transportation charges	56,90,063
Travelling and conveyance	32,91,730
Warehousing charges	27,57,757
Miscellaneous expenses	18,13,707
	<u>2,59,15,658</u>



Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

2.13 Segment reporting

The Company has operated only in one business segment during the year viz. capital based business comprising of trading in physical commodities. 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.

2.14 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:

S. No	Particulars	Relationship
A	Names of related parties by whom control is exercised	
	EFSL Comtrade Limited	Holding company
	Edel Commodities Limited	Holding company of EFSL Comtrade Limited (Till 7 September 2014)
	Edelweiss Commodity Services Limited	Holding company of Edel Commodities Limited EFSL Comtrade Limited (w.e.f 8 September 2014)
	Edelweiss Financial Services Limited	Ultimate holding company
B	Fellow subsidiaries with whom the company has transaction:	
	Aster Commodities DMCC	
C	Key Management Personnel	
	Deepak Kumar Agarwal (till 01 March 2015)	
	Udit Sureka	
	Amit Jain (till 01 March 2015)	
	Devendra Gupta	
	Rupesh Ashok Bhosale	



Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

2.15 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 (continued):

Transactions with related parties:

Nature of transactions	Related party name	For the year ended 31 March 2015
Capital account transactions:		
Ordinary shares issued to	EFSL Comtrade Limited	3,836,574
Current account transactions:		
Sale of commodities to	Aster Commodities DMCC	179,650,966
Cost reimbursement recovered from	Aster Commodities DMCC EFSL Comtrade Limited	1,790,820 130,000

Balances with related parties as on 31 March 2015:		
Trade payables to	EFSL Comtrade Limited	130,000
Advances recoverable from	Aster Commodities DMCC	102,142,144



Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

2.16 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:

Particulars	For the year ended 31 March 2015
a) Shareholders earnings (as per statement of profit and loss)	(49,11,615)
b) Calculation of weighted average number of ordinary shares of 1Naira each:	
– Number of shares at the beginning of the year	-
– Shares issued during the year	10,000,000
Total number of ordinary shares outstanding at the end of the year	10,000,000
Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	10,000,000
c) Basic and diluted earnings per share (in rupees) (a/b)	(0.49)

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

2.17 Contingent liabilities and capital commitment

The Company has no capital commitment and contingent liabilities as at the balance sheet date.

2.18 Details of purchases, sales and inventories:

Agri – Commodities

Particulars	For the year ended 31 March 2015
Opening stock	-
Purchase	212,108,846
Sale	179,650,967
Closing stock **	54,354,228
Profit on sale of commodities	21,896,349

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



Edelweiss Commodities Nigeria Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

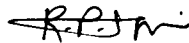
(Currency: Indian Rupees)

2.19 Prior period comparatives:

The Company presents its first financial statements for the year 1 April 2014 to 31 March 2015. The Company was incorporated on 17 December 2013 and there were no transactions during the period from date of incorporation till 31 March 2014, hence, previous year's figures have not been presented.

As per our report of even date attached.

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



R. P. Soni
Partner
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Mumbai
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