

Independent Auditors' Report

To the Directors of
Edelweiss Tarim Urunleri Anonim Sirketi

Report on the Financial Statements

We have audited the accompanying financial statements of **Edelweiss Tarim Urunleri Anonim Sirketi** ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

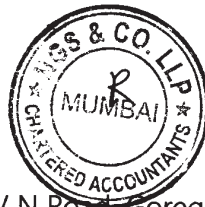
The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. This responsibility also includes maintenance of adequate accounting records for safeguarding 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.



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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 2017, and its loss and its cash flows for the period ended on that date.

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



R.P. Soni
Partner
Membership No. 104796
Place: Mumbai
Date: 4 May 2017



Edelweiss Tarim Urunleri Anonim Sirketi

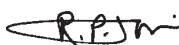
Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	42,749,456	4,206,656
Reserves and surplus	2.2	(39,160,338)	(3,386,560)
		<u>3,589,118</u>	<u>820,096</u>
Current liabilities			
Trade payables	2.3	-	3,323,846
TOTAL		<u><u>3,589,118</u></u>	<u><u>4,143,942</u></u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.4	7,469	-
Current assets			
Cash and cash equivalents	2.5	3,560,529	4,135,424
Short term loans and advances	2.6	21,120	8,518
		<u>3,581,649</u>	<u>4,143,942</u>
TOTAL		<u><u>3,589,118</u></u>	<u><u>4,143,942</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

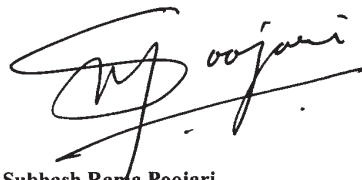


R. P. Soni
Partner
Membership No.: 104796



Mumbai
4 May 2017

For and on behalf of the Board of Directors



Subhash Rana Poojari
Director

4 May 2017

Edelweiss Tarim Urunleri Anonim Sirketi

Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2017	For the period from 27 January 2016 to 31 March 2016
Revenue from operations			
Sale of commodities		220,827,221	-
Other income	2.7	(731,834)	191,196
Total revenue		<u>220,095,387</u>	<u>191,196</u>
Expenses			
Purchases of commodities		237,723,124	-
Employee benefit expenses	2.8	1,392,556	-
Finance costs	2.9	81,690	-
Depreciation expenses	2.4	7,425	-
Other expenses	2.10	16,664,370	3,577,756
Total expenses		<u>255,869,165</u>	<u>3,577,756</u>
Loss before tax		(35,773,778)	(3,386,560)
Tax expense		-	-
Loss for the year/ period		<u>(35,773,778)</u>	<u>(3,386,560)</u>
Earnings per ordinary share (Face value of TRY 1 each)			
Basic and diluted	2.13	(60.77)	(18.06)
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.S.

R. P. Soni
Partner
Membership No.: 104796



Mumbai
4 May 2017

For and on behalf of the Board of Directors

Subhash Ram Poojari

Subhash Ram Poojari
Director

4 May 2017

Edelweiss Tarim Urunleri Anonim Sirketi

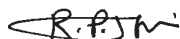
Cash Flow Statement

(Currency : Indian rupees)

Particulars	For the year ended 31 March 2017	For the period from 27 January 2016 to 31 March 2016
A Cash flow from operating activities		
Loss before tax	(35,773,778)	(3,386,560)
Adjustments for:		
Depreciation expenses	7,425	-
Operating cash flow before working capital changes	(35,766,353)	(3,386,560)
Add/(less): Adjustments for working capital changes		
Increase in loan and advances	(12,602)	(8,518)
(Decrease)/ increase in trade payables	(3,323,846)	3,323,846
Net cash used in operating activities - A	(39,102,801)	(71,232)
B Cash flow from investing activities - B		
Purchase of fixed assets	(14,894)	-
Net cash used in investing activities - B	(14,894)	-
C Cash flow from financing activities		
Proceeds from issue of share capital	38,542,800	4,206,656
Net cash generated from financing activities - C	38,542,800	4,206,656
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(574,895)	4,135,424
Cash and cash equivalents as at the beginning of the year/ period	4,135,424	-
Cash and cash equivalents as at the end of the year/ period (refer note below)	3,560,529	4,135,424
Note:		
Cash and cash equivalents include the following: (refer note 2.5)		
Cash	164	-
Balances with banks:		
In current accounts	3,560,365	4,135,424
Total of cash and cash equivalents	3,560,529	4,135,424

As per our report of even date attached.

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

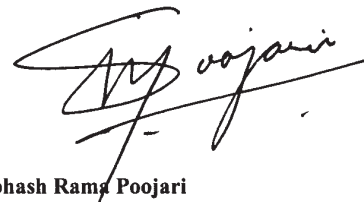


R. P. Soni
Partner
Membership No.: 104796



Mumbai
4 May 2017

For and on behalf of the Board of Directors



Subhash Rama Poojari
Director

4 May 2017

Edelweiss Tarim Urunleri Anonim Sirketi

Notes to the financial statements

for the year ended 31 March 2017

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

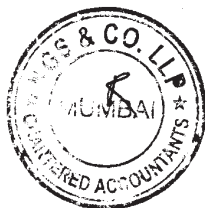
All assets and liabilities are classified into current and non-current.

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.



Edelweiss Tarim Urunleri Anonim Sirketi

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.4 Revenue recognition

Sale of commodity is recognised when all the significant risks and rewards have been passed to the buyer.

1.5 Fixed assets and depreciation

Tangible fixed assets

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

Depreciation is provided on a written down value basis from the date the asset is ready to use or put to use whichever is earlier. In respect of assets sold, depreciation is provided up to 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
Computers	3 years

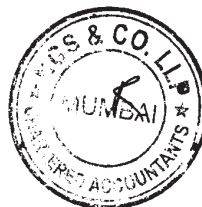
1.6 Impairment of assets

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 Earnings per share

The Company reports basic and diluted earnings per share in accordance with 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.



Edelweiss Tarim Urunleri Anonim Sirketi

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

1.8 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 Tarim Urunleri Anonim Sirketi

Notes to the financial statements (Continued)

(Currency : Indian rupees)

Currency : Indian Rupees)

	As at 31 March 2017	As at 31 March 2016		
2.1 Share capital				
(a) Authorised				
2,250,000 (Previous Year : 750,000) Ordinary shares of TRY 1 each	42,749,456	16,826,624		
	42,749,456	16,826,624		
(b) Issued, subscribed and paid up:				
2,250,000 (Previous Year : 750,000 partly paid up to TRY 0.25 each) Ordinary shares of TRY 1 each, fully paid.	42,749,456	4,206,656		
	42,749,456	4,206,656		
(c) Movement in ordinary share capital during the year/ period:				
	31 March 2017	31 March 2016		
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year/ period	750,000	4,206,656	-	-
Issued during the year/ period	1,500,000	38,542,800	750,000	4,206,656
Outstanding at the end of the year/ period	2,250,000	42,749,456	750,000	4,206,656
(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
Ordinary shares				
EFSL Comtrade Limited, the holding company	2,250,000	100%	750,000	100%
(e) Details of shareholders holding more than 5% shares in the Company:				
	31 March 2017	31 March 2016		
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Ordinary shares				
EFSL Comtrade Limited, the holding company	2,250,000	100%	750,000	100%
(f) Terms/rights attached to ordinary shares				
The Company has only one class of shares referred to as ordinary shares having a par value of TRY 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				
Deficit in the statement of profit and loss				
Opening balance	(3,386,560)	-		
Add: Loss for the year/ period	(35,773,778)	(3,386,560)		
Closing balance	(39,160,338)	(3,386,560)		
	(39,160,338)	(3,386,560)		
2.3 Trade payables				
Trade payables	-	3,323,846		
(includes sundry creditors and provision for expenses)	-	3,323,846		



Edelweiss Tarim Urunleri Anonim Sirketi

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.4 Fixed assets

Description of assets	Gross block		Depreciation		Net block	
	As at 1 April 2016	Additions during the year	Deductions / adjustments during the year	Charge for the year	As at 31 March 2017	As at 31 March 2016
Tangible assets						
Computers	-	14,894	-	7,425	7,469	-
Total	-	14,894	-	7,425	7,469	-
Previous Period	-	-	-	-	-	-



Edelweiss Tarim Urunleri Anonim Sirketi

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.5 Cash and cash equivalents		
Cash in hand	164	-
Balances with banks		
- in current accounts	3,560,365	4,135,424
	<u>3,560,529</u>	<u>4,135,424</u>
2.6 Short-term loans and advances (Unsecured, considered good)		
Other loans and advances		
Prepaid expenses	21,120	-
Vendor advances	-	8,518
	<u>21,120</u>	<u>8,518</u>



Edelweiss Tarim Urunleri Anonim Sirketi

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2017	For the period from 27 January 2016 to 31 March 2016
2.7 Other income		
(Loss)/ Gain due to foreign exchange movement	(731,834)	191,196
	<u>(731,834)</u>	<u>191,196</u>
2.8 Employee benefit expenses		
Salaries and wages	1,075,991	-
Staff welfare expenses	316,565	-
	<u>1,392,556</u>	<u>-</u>
2.9 Finance costs		
Finance and bank charges	81,690	-
	<u>81,690</u>	<u>-</u>
2.10 Other expenses		
Advertisement and business promotion	3,666	-
Commission and brokerage	159,827	-
Communication	23,671	-
Electricity charges	22,204	-
Freight and forwarding expenses	14,447,222	-
Insurance	218,090	-
Legal and professional fees	898,259	3,577,756
Office expenses	7,785	-
Postage and courier	16,457	-
Printing and stationery	15,557	-
Rates and taxes	256,462	-
Repairs and maintenance - others	31,647	-
Travelling and conveyance	498,969	-
Housekeeping and security charges	64,554	-
	<u>16,664,370</u>	<u>3,577,756</u>



Edelweiss Tarim Urunleri Anonim Sirketi

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

2.11 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.

2.12 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	Relationship
A.	Names of related parties by whom control is exercised	
	EFSL Comtrade Limited	Holding company
	Edelweiss Commodities Services Limited	Holding company of EFSL Comtrade Limited
	Edelweiss Financial Services Limited	Ultimate holding company
B.	Fellow subsidiaries with whom the company has transaction:	
	Aster Commodities DMCC	

C. Transaction with Related parties			
Nature of transaction	Name of related party	For the year ended 31 March 2017	For the period from 27 January 2016 to 31 March 2016
Capital account transactions:			
Ordinary shares issued to	EFSL Comtrade Limited	38,542,800	4,206,656
Current account transaction:			
Cost reimbursement paid to	EFSL Comtrade Limited	-	3,323,846
Purchase of Commodities from	Aster Commodities DMCC	237,723,124	-
Balance with related parties			
Trade payables	EFSL Comtrade Limited	-	3,323,846



Edelweiss Tarim Urunleri Anonim Sirketi

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

2.13 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 2017	For the period from 27 January 2016 to 31 March 2016
a)	Shareholders earnings (as per statement of profit and loss)	(35,773,778)	(3,386,560)
b)	Calculation of weighted average number of ordinary shares of TRY 1 each:		
	- Number of shares at the beginning of the year/ period	750,000	-
	- Shares issued during the year/ period	1,500,000	750,000
	Total number of ordinary shares outstanding at the end of the year/ period	2,250,000	750,000
	Weighted average number of ordinary shares outstanding during the year/period (Previous year: 25% paid up) (based on the date of issue of shares)	588,699	187,500
c)	Basic and diluted earnings per share (in rupees) (a/b)	(60.77)	(18.06)

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

2.14 Contingent liabilities and capital commitment

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



Edelweiss Tarim Urunleri Anonim Sirketi

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency: Indian rupees)

2.15 Details of purchases, sales and stock in trade

Commodities:

Particulars	For the year ended 31 March 2017	For the period from 27 January 2016 to 31 March 2016
Type of Commodities	Agri	-
Opening stock	-	-
Purchase	237,723,124	-
Sales	220,827,221	-
Closing stock	-	-
Loss on sale of commodities	(16,895,903)	-

2.16 Prior period comparative:

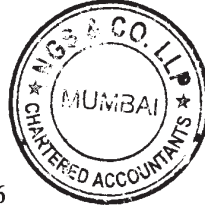
The company was incorporated on 27 January 2016 and hence previous year's figures have been prepared for the period from 27 January 2016 to 31 March 2016.

As per our report of even date attached.

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

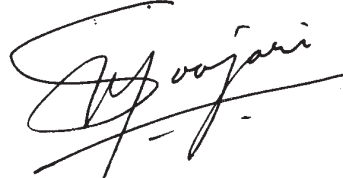


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