

EC Commodity Limited

Financial Statements

together with the Auditors' Report
for the year ended 31 March 2018

EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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To
The Members of EC Commodity Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **EC Commodity Limited ("the Company")**, which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.



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

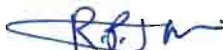
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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
 - e. on the basis of written representations received from the Directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 30 April 2018

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of EC Commodity Limited ('the Company') on the financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of warehouse receipts in respect of commodities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investment made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, services tax, sales tax, value added tax, goods and service tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, duty of excise and duty of custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, services tax, sales tax, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of sales tax, service tax, value added tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax on account of dispute, is as follows:



Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,520	A.Y.2013-14	CIT (A)
Income Tax Act, 1961	Income Tax	859,327	A.Y.2014-15	CIT (A)

- (viii) In our opinion, and according to information and explanations given to us, the Company has not defaulted in repayment of dues to its bank. Further, the Company does not have any loans or borrowings from any financial institution, government and debenture holders.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 30 April 2018

Annexure B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **EC Commodity Limited ("the Company")** as of 31 March 2018 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: 30 April 2018

EC Commodity Limited

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	300,000,000	300,000,000
Reserves and surplus	2.2	109,914,292	96,401,176
		409,914,292	396,401,176
Non-current liabilities			
Deferred tax liabilities (net)	2.10	-	1,591,390
Long-term provisions	2.3	1,311,600	2,932,000
Current liabilities			
Short-term borrowings	2.4	1,370,491,437	80,999,025
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.37	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.5	447,158,230	940,167,981
Other current liabilities	2.6	202,792,705	194,746,347
Short-term provisions	2.7	8,905,704	36,638,612
TOTAL		2,440,573,968	1,653,476,531
ASSETS			
Non-current assets			
Fixed assets			
Property plant and equipment	2.8	374,669	305,947
Intangible assets	2.8	356,617	690,716
Non-current investments	2.9	-	150,000,000
Deferred tax assets (net)	2.10	3,174,184	-
Long-term loans and advances	2.11	3,165,635	3,810,783
Other non-current assets	2.12	10,224,220	945,048
		17,295,325	155,752,494
Current assets			
Trade receivables	2.13	1,283,230	1,672,443
Cash and bank balance	2.14	1,496,403,551	1,074,695,574
Short-term loans and advances	2.15	14,106,290	12,659,267
Other current assets	2.16	911,485,572	408,696,753
		2,423,278,643	1,497,724,037
TOTAL		2,440,573,968	1,653,476,531

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



Rakesh Udyawar

Director

DIN 07626814



Ravindra Dhobale

Director

DIN 05147051



Gufran Siddiqui

Company Secretary



Chintamani Purohit

Chief Financial Officer

Mumbai

30 April 2018

Mumbai

30 April 2018

EC Commodity Limited

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			
Fee and commission income	2.17	7,608,255	11,625,839
Income from treasury operations	2.18	71,233,888	138,484,826
Sale of commodities		5,366,732,025	-
Other operating revenue	2.19	86,711,577	57,798,163
Other income	2.20	354,645	2,154,301
Total revenue		5,532,640,390	210,063,129
Expenses			
Purchases of commodities		5,372,663,861	-
Employee benefit expenses	2.21	10,698,984	45,190,289
Finance costs	2.22	88,337,026	16,620,868
Depreciation and amortisation	2.8	606,926	398,452
Other expenses	2.23	31,097,947	18,732,951
Total expenses		5,503,404,744	80,942,560
Profit before tax		29,235,646	129,120,569
Tax expense:			
Current tax (includes short provision of earlier year Rs. 5,616,616; Previous year - Rs. 7,834)		20,488,104	39,628,437
Deferred tax (benefit)/charge		(4,765,574)	5,833,941
Profit for the year		13,513,116	83,658,191
Earnings per equity share: (Face value of share Rs. 10) Basic and diluted	2.27	0.45	2.79

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



Rakesh Udyawar

Director

DIN 07626814

Ravindra Dhobale

Director

DIN 05147051



Mumbai

30 April 2018



Gufran Siddiqui
Company Secretary



Chintamani Purohit
Chief Financial Officer

Mumbai

30 April 2018

EC Commodity Limited

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		
Profit before taxation	29,235,646	129,120,569
Adjustments for:		
Depreciation and amortisation	606,926	398,452
Provision for gratuity and compensated leave absences	(1,846,261)	156,651
Loss on sale/ write-off of fixed assets	3,539	4,945
Interest income	(11,652,871)	(8,560,381)
Interest expense	48,255,011	7,121,976
Operating cash flow before working capital changes	64,601,990	128,242,212
Adjustments for working capital changes		
(Increase) in trade receivables, loans and advances and other assets	(999,068,415)	(859,711,842)
(decrease)/ Increase in liabilities and provisions	(489,394,232)	1,107,969,891
Cash (used in) / generated from operations	(1,423,860,657)	376,500,261
Less : Income taxes paid	(46,957,489)	(5,628,556)
Net cash (used in) / generated from operating activities - A	(1,470,818,146)	370,871,705
B Cash flow from investing activities		
Purchase of fixed assets	(345,088)	(372,279)
Sale/(purchase) of investment (net)	150,000,000	(150,000,000)
Interest received	11,652,871	8,560,381
Net cash generated from / (used in) investing activities - B	161,307,783	(141,811,898)
C Cash flow from financing activities		
Proceeds from/(repayment of) unsecured loans borrowed (net) (refer note 2)	1,289,492,412	(112,129,176)
Interest paid	(43,824,172)	(10,264,518)
Net cash generated from / (used in) financing activities - C	1,245,668,240	(122,393,694)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(63,842,123)	106,666,113
Cash and cash equivalent as at the beginning of the year	109,045,574	2,379,461
Cash and cash equivalent as at the end of the year (refer note 1 below)	45,203,451	109,045,574
Notes:		
1 Cash and cash equivalents include the following: (refer note 2.14)		
Balances with scheduled banks in current accounts	45,203,451	109,045,574
	45,203,451	109,045,574

2 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



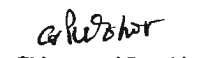
For and on behalf of the Board of Directors

Rakesh Udyawar
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Chintamani Purohit
Chief Financial Officer

Mumbai
30 April 2018

Mumbai
30 April 2018

EC Commodity Limited

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.

1.2 Use of estimates

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

1.3 Current-non-current classification

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

Assets

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company’s normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 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.



EC Commodity Limited

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

(Currency: Indian rupees)

1 Significant accounting policies (Continued)

1.4 Revenue recognition

- Brokerage income is recognised as per contracted rates on execution of transactions on behalf of the customers on the trade date and is exclusive of service tax and net of related stock exchange expenses and sub-brokerage expenses.
- Income from treasury operations comprises of profit/loss on sale of securities, equity and currency derivative instruments.
 - a. Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - b. 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 accrual basis.
- Commodities sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.
- Dividend income is recognised when the right to receive payment is established.
- Fee income is accounted for on an accrual basis in accordance with the terms and conditions of contracts entered into between the Company and the counterparty.
- Profit/loss earned on sale of investment is recognised on trade date basis. Profit / loss on sale of investments are determined based on the weighted average cost of the investment sold.

1.5 Fixed assets and depreciation

Property plant and equipment and Capital work in progress

Property plant and equipment acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

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

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



EC Commodity Limited

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

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.5 Fixed assets and depreciation (Continued)

Class of asset	Useful life
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

Intangible fixed assets

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

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

1.6 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.7 Investments

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

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

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



EC Commodity Limited

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

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.8 Employee benefits

The accounting policy followed by the company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (revised 2005), is set out below:

Provident fund

The Company contributes to a recognized provident fund which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized in the statement of profit and loss.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their services in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on independent actuarial valuation by an actuary using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

Compensated leave Absences

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



EC Commodity Limited

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

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

1.9 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share”. Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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

1.10 Taxation

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

Current tax

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

Deferred tax

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of these assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Minimum alternative tax (MAT) Credit

MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.



EC Commodity Limited

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

(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 Provisions and contingencies

The Company creates a provision when there is a 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.



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.1 Share capital		
(a) Authorised : 300,00,000 (Previous year: 30,000,000) equity shares of Rs. 10 each	300,000,000	300,000,000
(b) Issued, subscribed and paid up: 30,000,000 (Previous year: 30,000,000) equity shares of Rs. 10 each	300,000,000	300,000,000
	300,000,000	300,000,000

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

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	30,000,000	300,000,000	30,000,000	300,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	30,000,000	300,000,000	30,000,000	300,000,000

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid up Edelweiss Financial Services Limited, the holding company and its nominees	30,000,000	100%	30,000,000	100%

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Equity shares of Rs 10 each fully paid up Edelweiss Financial Services Limited, the holding company and its nominees	30,000,000	100%	30,000,000	100%

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

2.2 Reserves and surplus

Securities premium account	208,336,278	208,336,278
Deficit in the statement of profit and loss		
Opening balance	(111,935,102)	(195,593,293)
Add: profit for the year	13,513,116	83,658,191
Closing balance	(98,421,986)	(111,935,102)
	109,914,292	96,401,176



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.3 Long-term provisions		
Provision for employee benefits		
Gratuity	1,155,600	2,553,000
Compensated leave absences	156,000	379,000
	<u>1,311,600</u>	<u>2,932,000</u>
2.4 Short-term borrowings		
Unsecured		
Loan from fellow subsidiary company (Loans are repayable on demand at variable rates of 10% per annum)	1,370,491,437	80,999,025
	<u>1,370,491,437</u>	<u>80,999,025</u>
2.5 Trade payables		
Trade payables (includes sundry creditors and provision for expenses)	447,158,230	940,167,981
	<u>447,158,230</u>	<u>940,167,981</u>



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.6 Other current liabilities		
Interest accrued and due on borrowings	4,484,458	53,620
Premium received on exchange traded options	179,548,009	160,041,977
Other payables*		
Accrued salaries and benefits	6,902,468	25,396,787
Withholding taxes, service tax and other statutory dues	7,009,220	2,729,798
Payable towards exchange trade settlement	3,298,550	4,765,433
Book overdraft	-	228,345
Others	1,550,000	1,530,387
* There are Rs. Nil (Previous year: Rs. Nil) amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act 2013 as at the year end.		
	<u>202,792,705</u>	<u>194,746,347</u>
2.7 Short-term provisions		
Provision for employee benefits		
Gratuity	243,000	432,651
Compensated leave absences	38,790	75,000
Others		
Provision for taxation (net of advance tax and tax deducted at source)	8,623,914	36,130,961
	<u>8,905,704</u>	<u>36,638,612</u>



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.8 Fixed assets

Description of assets	Gross block				Depreciation and amortisation				Net block	
	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 March 2018	As at 1 April 2017	Charge for the year	Deductions during the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Property plant and equipment										
Office equipments	68,860	-	35,983	32,877	55,484	5,113	32,576	28,021	4,856	13,376
Computers	600,032	347,406	5,641	941,797	307,461	270,032	5,509	571,984	369,813	292,571
Total : A	668,892	347,406	41,624	974,674	362,945	275,145	38,085	600,005	374,669	305,947
Intangible assets										
Computer software	1,100,745	(2,318)	-	1,098,427	410,029	331,781	-	741,810	356,617	690,716
Total : B	1,100,745	(2,318)	-	1,098,427	410,029	331,781	-	741,810	356,617	690,716
Grand total (A+B)	1,769,637	345,088	41,624	2,073,101	772,974	606,926	38,085	1,341,815	731,286	996,663
Previous year	661,842	1,212,279	104,484	1,769,637	474,062	398,452	99,540	772,974	996,663	



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018			As at 31 March 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.9 Non-current investments						
Unquoted, at cost						
Investments in 0.01% Non-cumulative, Redeemable, Non-convertible preference shares of companies (fully paid up)						
Edelweiss Global Wealth Management Limited	-	-	-	10	1,500,000	150,000,000
					<u>1,500,000</u>	<u>150,000,000</u>
 Aggregate of unquoted investment						
- At book value			-			150,000,000



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.10 Deferred tax		
Deferred tax assets		
Tax effect of the timing differences on account of:		
Disallowances under section 43B of the Income Tax Act, 1961	531,937	1,190,394
Others	2,669,624	523,273
	<u>3,201,561</u>	<u>1,713,667</u>
Deferred tax liabilities		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	27,377	131,130
Others	-	3,173,927
	<u>27,377</u>	<u>3,305,057</u>
Deferred tax assets (net)	<u>3,174,184</u>	
Deferred tax liabilities (net)		<u>1,591,390</u>
2.11 Long-term loans and advances		
Unsecured, considered good		
Security deposits		
Deposits placed with/ for exchange/ depositories	1,050,000	1,050,000
Other deposits	23,000	23,000
Other loans and advances		
Advance income taxes and tax deducted at source (Net of provision for taxation)	2,092,635	2,737,783
	<u>3,165,635</u>	<u>3,810,783</u>
2.12 Other non-current assets		
Accrued interest on fixed deposits	53,385	24,213
Long term deposit with banks held as security deposits [Pledged with sales tax authorities for meeting deposit requirements Rs. 170,835; (Previous year Rs.170,835)]	10,170,835	920,835
[Pledged with exchanges for meeting base capital requirements Rs. 10,000,000 ; (Previous year Rs. 750,000)]		
	<u>10,224,220</u>	<u>945,048</u>



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.13 Trade receivables		
Unsecured, considered good		
Other debts	1,283,230	1,672,443
	1,283,230	1,672,443
2.14 Cash and bank balance		
Cash and cash equivalents		
Balances with banks in current accounts	45,203,451	109,045,574
Other bank balances		
Short term deposit with banks with maturity less than 12 months [Pledged with Exchanges for meeting base capital requirements Rs. 1,451,200,100 (Previous year Rs. 955,750,000)]	1,451,200,100	965,650,000
[Pledged with Bank for meeting overdraft requirements Rs. Nil (Previous year Rs. 9,900,000)]		
	1,496,403,551	1,074,695,574



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.15 Short-term loans and advances		
Unsecured, considered good		
Deposits placed with/ for exchange/ depositories	9,550,000	7,950,000
Advances to others	200,888	212,507
Deposits - others	15,000	15,000
Prepaid expenses	120,582	143,918
Loans and advances to employees	-	231,663
Vendor advances	637,260	628,882
Cenvat and VAT assets	3,081,583	1,841,806
Advance tax and tax deducted at source (net of provision for taxation)	-	392,514
MAT credit entitlement	2,977	2,977
Advances recoverable in cash or in kind or for value to be received	498,000	1,240,000
	14,106,290	12,659,267
2.16 Other current assets		
Accrued interest on fixed deposits	12,645,315	24,844,060
Receivable from exchange / clearing house (net)	39,944,388	12,017,250
Equity index/stock options premium account	-	1,398,667
Margin placed with broker	858,895,869	370,436,776
	911,485,572	408,696,753



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.17 Fee and commission income		
Income from commodities broking	6,101,209	10,786,867
Advisory and other fees	1,507,046	838,972
	7,608,255	11,625,839
2.18 Income from treasury operations		
Loss on trading of securities (net)	-	(852)
(Loss)/profit on trading in equity derivative instruments (net)	(11,887,278)	84,297,744
Profit/(loss) on trading in commodity derivative instruments (net)	90,797,594	(3,530,447)
(Loss)/profit on trading in currency derivative instruments (net)	(7,676,428)	15,734,474
Profit on trading in interest rate derivative (net)	-	41,983,907
	71,233,888	138,484,826
2.19 Other operating revenue		
Interest income on loan	11,652,871	8,560,381
Interest income on fixed deposits	60,083,461	45,507,403
Interest income on margin with brokers	14,975,245	3,730,379
	86,711,577	57,798,163
2.20 Other income		
Miscellaneous income	38,708	-
Interest income - others	315,937	2,154,301
	354,645	2,154,301



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.21 Employee benefit expenses		
Salaries and wages	9,839,694	44,469,331
Contribution to provident and other funds	453,263	411,019
Staff welfare expenses	406,027	309,939
	<u>10,698,984</u>	<u>45,190,289</u>
2.22 Finance costs		
Interest on bank overdraft	129,600	-
Interest on loan from holding company	-	943,954
Interest on loan from fellow subsidiaries	48,255,011	6,178,022
Interest on margin	38,466,888	7,168,678
Interest - others	477	778
Financial and bank charges	11,790	216
Interest on shortfall of payment of advance tax	1,473,260	2,329,220
	<u>88,337,026</u>	<u>16,620,868</u>
2.23 Other expenses		
Advertisement and business promotion	-	9,668
Auditors' remuneration (refer note 2.26)	283,652	328,000
Communication	885,472	961,008
Computer expenses	551,610	183,314
Clearing and custodian charges	122,100	327,500
Dematerialisation charges	511,885	270,325
Donation	100,000	-
Electricity charges (refer note 2.38)	561,346	499,082
Insurance	28,068	12,861
Legal and professional fees	6,662,399	1,073,288
Loss on sale/ write-off of fixed assets (net)	3,539	4,945
Membership and subscription	1,099,566	1,574,700
Office expenses	3,611	9,500
Printing and stationery	24,278	6,460
Rates and taxes	32,845	44,028
Rent (refer note 2.38)	4,625,871	2,610,541
Repairs and maintenance - others	182,220	52,645
ROC expenses	1,315	2,300
Security transaction tax	88,106	5,439,960
Service tax expenses	1,883,837	1,582,896
Stamp duty	23,445	15,179
Stock exchange expenses	5,961,440	3,184,303
Transportation charges	71,000	1,000
Travelling and conveyance	404,479	321,585
Warehousing charges	459,636	200
Miscellaneous expenses	770	185,767
Commodity transaction tax	6,525,457	31,896
	<u>31,097,947</u>	<u>18,732,951</u>



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.24 Segment reporting

Primary Segment (Business Segment):

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments, interest income and dividend income
Agency business	Broking, advisory and product distribution services

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

Secondary Segment:

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

The following table gives information as required under the Accounting Standard-17 on Segment Reporting:

Sr. No	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
I	Segment revenue		
	a) Capital based business	5,464,626,568	149,999,457
	b) Agency business	67,713,822	57,926,427
	c) Unallocated	300,000	2,137,245
	Total	5,532,640,390	210,063,129
	Less : Inter segment revenue	-	-
	Total income	5,532,640,390	210,063,129
II	Segment results		
	a) Capital based business	24,475,419	95,229,035
	b) Agency business	6,334,260	34,083,509
	c) Unallocated	(1,574,033)	(191,975)
	Total	29,235,646	129,120,569
	Profit before taxation	29,235,646	129,120,569
	Less : Provision for taxation	15,722,530	45,462,378
	Profit after taxation	13,513,116	83,658,191



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.24 Segment reporting (Continued)

Sr. No	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
III	Segment assets		
	a) Capital based business	862,389,112	526,956,536
	b) Agency business	1,569,833,477	1,123,386,721
	c) Unallocated	8,351,379	3,133,274
	Total	2,440,573,968	1,653,467,531
IV	Segment liabilities		
	a) Capital based business	1,567,634,110	266,384,780
	b) Agency business	447,392,432	950,238,426
	c) Unallocated	15,633,134	40,452,149
	Total	2,030,659,676	1,257,075,355
V	Capital expenditure (including capital work in progress)		
	a) Capital based business	203,989	874,548
	b) Agency business	141,099	337,731
	c) Unallocated	-	-
	Total	345,088	1,212,279
VI	Depreciation and amortisation		
	a) Capital based business	358,767	287,447
	b) Agency business	248,159	111,005
	c) Unallocated	-	-
	Total	606,926	398,452
VII	Significant non cash expenses Other than depreciation and amortisation		
	a) Capital based business	179,304	320,598
	b) Agency business	124,025	123,808
	c) Unallocated	-	-
	Total	303,329	444,406



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.25 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure” as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014:

Sr. No	Particulars
A.	Names of related parties by whom control is exercised
	Edelweiss Financial Services Limited, Holding company
B.	Fellow Subsidiaries with whom the Company has transactions
	Edelweiss Global Wealth Management Limited
	Edelweiss Securities Limited
	Edelweiss Commodities Services Limited
	Edelcap Securities Limited
	Edelweiss Comtrade Limited
	Edelweiss Metals Limited (till 12 October 2017)
	ECap Equities Limited
	Edel Land Limited
	EFSL Trading Limited (Formerly EFSL Commodities Limited)
	Edelweiss Business Services Limited (Formerly Edelweiss Web Services Limited)
	Edelweiss Broking Limited
	Edelweiss Custodial Services Limited
	EFSL Comtrade Limited
	EdelGive Foundation
	Edelweiss Multi Strategy Fund Advisors LLP (100% of Economic Interest is held with Edelweiss Multi Strategy Funds Management Private Limited which in turn is the wholly owned subsidiary of Edelweiss Financial Services Limited.)
	ECL Finance Limited



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.25 Related parties (Continued)

(C) Transactions with related parties :

Nature of transaction	Related party name	2017-18	2016-17
Current account transactions			
Short term loans taken from (Refer note below)	Edelweiss Commodities Services Limited	3,257,968,778	325,453,486
Short term loans repaid to (Refer note below)	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	- 1,968,476,357	39,115,297 398,467,365
Short term loans given to (Refer note below)	Edelweiss Commodities Services Limited	-	286,926,005
Short term loans repaid by (Refer note below)	Edelweiss Commodities Services Limited	-	286,926,005
Margin placed with (Refer note below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	- 505,325,442	203,675,368 353,570,427
Margin withdrawn from (Refer note below)	Edelweiss Securities Limited Edelweiss Commodities Services Limited	17,233,343 -	549,224,675 140,430,468
Margin received from (Refer note below)	Edel Land Limited Edelweiss Comtrade Limited EFSL Trading Limited	1,500,000 414,959,605 20,552,300	- - -
Margin repaid to (Refer note below)	Edel Land Limited Edelweiss Comtrade Limited EFSL Trading Limited	1,500,000 421,920,329 20,552,300	- - -
Investments in preference shares of	Edelweiss Global Wealth Management Limited	-	150,000,000
Interest expense on loans from	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited	- 48,255,011	943,954 6,178,022
Interest income on margin placed with	Edelweiss Securities Limited Edelweiss Commodities Services Limited Edelweiss Custodial Services Limited	9,711 - 14,965,534	2,921,682 269,474 539,223
Interest expenses on margin placed by	Edel Land Limited EFSL Trading Limited Edelweiss Comtrade Limited	16,109 124,487 22,109,987	- - -
Interest income on loans from	Edelweiss Commodities Services Limited	-	4,653,964
Reimbursements paid to	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited Edelweiss Business Services Limited	- 7,675 423,619	5,591,597 1,226,889 -
Cost reimbursement to	Edelweiss Financial Services Limited Edelweiss Commodities Services Limited Edelweiss Business Services Limited Edelweiss Broking Limited Edelweiss Securities Limited ECL Finance Limited Edelweiss Multi Strategy Fund Advisors LLP EFSL Trading Limited	145,478 7,175,997 941,000 2,118,593 131,039 8,000 299,000 2,000	390,056 4,762,337 13,524,853 395,095 - - - -
Cost reimbursement from	Edelweiss Financial Services Limited Edelweiss Broking Limited Edelweiss Custodial Services Limited Edelweiss Securities Limited Edelweiss Commodities Services Limited	2,485,209 62,649 300,000 152,000 4,000	3,001,545 - - - -
Professional fees paid to	Edelweiss Business Services Limited	6,362,224	18,504
Processing fees paid to	Edelweiss Business Services Limited	-	8,620



EC Commodity Limited

Notes to the financial statements (Continued)
(Currency: Indian rupees)

2.25 Related parties (Continued)

(C) Transactions with related parties :

Nature of transaction	Related party name	2017-18	2016-17
Purchase of commodities from	Edelweiss Commodities Services Limited	2,567,430,545	-
Sale of commodities to	Edelweiss Commodities Services Limited Edel Commodities Limited	2,451,933,991 905,702,276	- -
Nomination deposits payable to	Edelweiss Financial Services Limited	200,000	-
Nomination deposit repaid to	Edelweiss Financial Services Limited	200,000	-
Clearing expenses to	Edelweiss Securities Limited Edelweiss Custodial Services Limited	122,100 105,000	327,500 -
Clearing expenses from	Edelweiss Comtrade Limited	120,000	-
Redemption of preference shares from	Edelweiss Global Wealth Management Limited	150,000,000	-
Brokerage paid to	Edelweiss Securities Limited	134,442	3,697,113
Contribution towards corporate social responsibilities	EdelGive Foundation	100,000	-
Remuneration paid to (Refer note below)	Rakesh Udyawar	2,870,030	993,836
Balance with related parties as on 31 March 2018			
Investment in preference shares in	Edelweiss Global Wealth Management Limited	-	150,000,000
Short term loans taken from	Edelweiss Commodities Services Limited	1,370,491,437	80,999,025
Trade payable to	ECap Equities Limited Edelweiss Commodities Services Limited Edelcap Securities Limited Edelweiss Business Services Limited Edelweiss Securities Limited Edelweiss Broking Limited EFSL Trading Limited Edelweiss Comtrade Limited Edelweiss Multi Strategy Fund Advisors LLP ECL Finance Limited	- 698,051 - 3,161,142 84,253 1,291,709 2,000 876,814 299,000 8,000	305,000 - 483,000 28,482 - - - - - -
Accrued interest expense on loans taken from	Edelweiss Commodities Services Limited	4,484,458	53,620
Trade receivables from	Edelweiss Securities Limited Edelweiss Financial Services Limited Edelweiss Commodities Services Limited Edelweiss Custodial Services Limited	152,000 - 4,000 1,241,161	378,289 783,476 1,240,000 113,974
Margin receivable from	Edelweiss Securities Limited Edelweiss Custodial Services Limited	- 858,895,869	16,866,349 353,570,427
Payable towards exchange trades settlement	Edelweiss Comtrade Limited	309,629,579	317,584,563

Note:

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

Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee : Loans have been given for general business purpose.

Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus 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.



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.26 Auditors' remuneration:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Audit fees	278,000	328,000
For other services	5,652	-
Total	283,652	328,000

2.27 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 2018	For the year ended 31 March 2017
(a) Profit after tax (as per statement of profit and loss)	13,513,116	83,658,191
(b) Calculation of weighted average number of equity Shares of Rs. 10 each		
Number of shares outstanding at the beginning of the year	30,000,000	30,000,000
Number of shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	30,000,000	30,000,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	30,000,000	30,000,000
(c) Basic and diluted earnings per share (in rupees) (a)/(b)	0.45	2.79

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



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.28 Details of purchases, sales and stock in trade:

A. Commodities

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock		
Agri	-	-
Bullion	-	-
Total	-	-
Purchases		
Agri	-	-
Bullion	5,372,663,861	-
Total	5,372,663,861	-
Sales		
Agri	-	-
Bullion	5,366,732,025	-
Total	5,366,732,025	-
Closing stock		
Agri	-	-
Bullion	-	-
Total	-	-
Loss on sale of commodities	(5,931,836)	-

B. Securities (equity shares):

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock		
	-	-
Total	-	-
Purchase		
	-	1,436,542
Total	-	1,436,542
Sales		
	-	1,435,690
Total	-	1,435,690
Closing stock		
	-	-
Total	-	-
Loss on sale of securities	-	(852)



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

A) Defined contribution plan (Provident fund)

An amount of Rs. 453,263 (Previous year: Rs. 411,019) is recognised as expense and included in "Employee benefit expenses" – Note 2.21 in the statement of profit and loss.

B) Defined benefit plan (Gratuity)

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

Statement of profit and loss:

Net employee benefit expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	196,000	320,500
Interest on defined benefit obligation	84,000	251,500
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	279,000	(240,539)
Total included in 'Employee benefit expenses'	559,000	331,461

Balance Sheet:

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Liability at the beginning of the year	2,985,651	2,937,000
Interest cost	84,000	251,500
Current service cost	196,000	320,500
Benefit paid	(395,651)	(735,000)
Transfer in/(out)	(1,751,000)	452,190
Actuarial (gain)/loss on obligations:	279,000	(240,539)
Liability at the end of the year	1,398,000	2,985,651

Details of provision for gratuity

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Liability at the end of the year	1,398,000	2,985,651
Amount in Balance sheet	1,398,000	2,985,651



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Details of provision for gratuity

	For the year ended 31 March 2018	For the year ended 31 March 2017
Non-current liability at the end of the year	1,155,600	2,553,000
Current liability at the end of the year	243,000	432,651

Amount recognised in the Balance sheet:

Particulars	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
Liability at the end of the year	1,398,000	2,985,651	2,937,000	1,429,000	970,000
Fair value of plan assets at the end of the year	-	-	-	-	-
Amount in Balance sheet – liability	1,398,000	2,985,651	2,937,000	1,429,000	970,000

Experience adjustment:

Particulars	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
On plan liabilities: (gain)/loss	315,000	(343,000)	218,000	18,000	129,000
On plan assets: (gain)/loss	-	-	-	-	-
Estimated contribution for the next year	-	-	-	-	-

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%	6.8%
Salary escalation	7%	7%
Employee attrition rate	13% - 25%	13% - 25%

2.30 Capital commitment

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

2.31 Contingent liability

- i) The Company has pending taxation matters of Rs. 453,185/- as at the balance sheet date. (Previous year Rs. 453,185).
- ii) The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.32 Earnings and expenditure in foreign currency

The Company did not have any earnings or expenditure in foreign currency during the reporting year. (Previous year Nil)

2.33 Open interest in currency futures as at 31 March 2018: NIL

Open interest in currency futures as at 31 March 2017:

Currency Pair	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
USD INR	< 1 month	1397	1,397,000	844	844,000

2.34 Open interest in equity index/stock futures as at 31 March 2018: NIL

Open interest in equity index/stock futures as at 31 March 2017:

Currency Pair	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
NIFTY	< 1 month	726	54,450	-	-

2.35 Open interest in commodity futures as at 31 March 2018:

Commodity Pair	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
GOLD	< 1 month	109	109,000	-	-
GOLDM	< 1 month	42	4,200	-	-
NATURALGAS	< 1 month	99	123,750	-	-
GOLD	2-3 months	-	-	163	163,000
SILVER	1-2 months	-	-	731	21,930
SILVERM	< 1 month	-	-	9	45

Open interest in commodity futures as at 31 March 2017: NIL

2.36 The following option contracts are outstanding as at 31 March 2018

Option Type	Premium Paid (Net of provision made)	Premium Received (Net of provision made)
Nifty	-	(179,548,009)

The following option contracts are outstanding as at 31 March 2017

Option Type	Premium Paid (Net of provision made)	Premium Received (Net of provision made)
Nifty	1,398,667	(160,041,977)



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.37 Details of dues to micro, small and medium enterprises

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

2.38 Cost sharing:

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and it's certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, actual identifications, basis of area occupied etc. Accordingly, and as identified by the management, the expenditure heads in note 2.23 include reimbursements paid.

2.39 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013:As at 31 March 2018

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	Not Applicable	Not Applicable	Not Applicable
(+) Permitted receipts			
(-) Permitted payments			
(-) Amount deposited in Banks			
Closing cash in hand as on 30.12.2016			

Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013:As at 31 March 2017

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-



EC Commodity Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.40 Corporate social responsibility (CSR):

As per the provisions of Section 135 of the Companies Act, 2013:

a) Gross amount required to be spent by the Company during the year was Rs. 887,799

(Previous year: Rs. Nil)

b) Amount spent during the year on:

Sr. No.	Particulars	In cash (PY)	Yet to be paid in cash	In cash (PY)
(i)	Constructions / acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	100,000 (0.00)	- -	100,000 (0.00)

Notes:

"The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 177,841,968 (Previous year: Rs. 115,684,300) (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended 31 March 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended 31 March 2018."

As per out 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



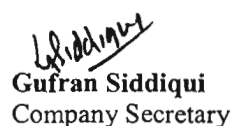
Rakesh Udyawar
Director
DIN 07626814



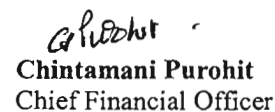
Ravindra Dhobale
Director
DIN 05147051



Mumbai
30 April 2018



Gufran Siddiqui
Company Secretary
Mumbai
30 April 2018



Chintamani Purohit
Chief Financial Officer