

# **Aster Commodities DMCC**

**Financial Statements**

**together with the Auditors' Report**

**for the year ended 31 March 2016**

# **Aster Commodities DMCC**

## **Financial statements together with Auditor's Report for the year ended 31<sup>st</sup> March 2016**

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Auditors' Report

Balance sheet

Statement of profit and loss

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## Independent Auditors' Report

To the Directors of  
**Aster Commodities DMCC**

### Report on the Financial Statements

We have audited the accompanying financial statements of **Aster Commodities DMCC** ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing, which requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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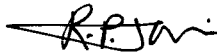
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

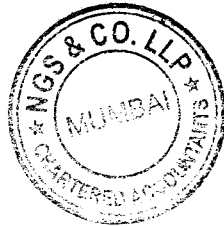
**Opinion**

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 2016, and its loss and its cash flows for the year ended on that date.

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



**R.P.Soni**  
**Partner**  
**Membership No. 104796**  
Place: Mumbai  
Date: 11 May 2016



# Aster Commodities DMCC

## Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2016	As at 31 March 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	133,729,953	133,729,953
Reserves and surplus	2.2	2,621,862,813	2,652,303,749
		<u>2,755,592,766</u>	<u>2,786,033,702</u>
<b>Non-current liabilities</b>			
Long-term provisions	2.3	12,992,000	9,353,000
<b>Current liabilities</b>			
Short-term borrowings	2.4	5,322,511,102	2,969,229,982
Trade payables		1,027,755,860	1,655,317,941
Other current liabilities	2.5	88,496,768	195,683,850
Short-term provisions	2.6	2,459,000	67,196,875
<b>TOTAL</b>		<u><b>9,209,807,496</b></u>	<u><b>7,682,815,350</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets	2.7		
Tangible assets		168,676,352	159,930,765
Intangible assets		63,821,022	95,188,380
Capital work-in-progress		-	2,247,487
Long-term loans and advances	2.8	134,096	12,949,995
		<u>232,631,470</u>	<u>270,316,627</u>
<b>Current assets</b>			
Stock-in-trade	2.9	97,000,123	265,537,688
Trade receivables	2.10	976,607,234	2,167,027,086
Cash and bank balances	2.11	1,807,945,877	766,429,604
Short-term loans and advances	2.12	4,797,643,419	3,559,654,747
Other current assets	2.13	1,297,979,373	653,849,598
		<u>8,977,176,026</u>	<u>7,412,498,723</u>
<b>TOTAL</b>		<u><b>9,209,807,496</b></u>	<u><b>7,682,815,350</b></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

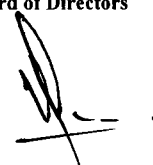
Mumbai  
11 May 2016



For and on behalf of the Board of Directors



Udit Sureka  
Director



Vinod Soni  
Director

11 May 2016

# Aster Commodities DMCC

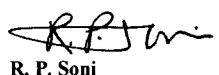
## Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Revenue from operations</b>			
Income from treasury operations	2.14	287,123,917	(465,933,556)
Sale of commodities		38,733,361,408	62,482,071,005
Other operating revenue	2.15	149,959,022	248,527,994
<b>Other income</b>	2.16	558,517	439,028
<b>Total revenue</b>		<b>39,171,002,864</b>	<b>62,265,104,471</b>
<b>Expenses</b>			
Purchases of commodities		38,532,691,841	61,461,281,555
Changes in stock-in-trade of commodities		168,537,565	(256,997,175)
Employee benefit expenses	2.17	121,780,944	133,930,479
Finance costs	2.18	215,387,159	309,425,001
Depreciation and amortisation expenses	2.7	43,429,948	38,435,405
Other expenses	2.19	119,616,343	90,779,929
<b>Total expenses</b>		<b>39,201,443,800</b>	<b>61,776,855,194</b>
(Loss)/Profit before tax		(30,440,936)	488,249,277
Tax expense		-	-
<b>(Loss)/Profit for the year</b>		<b>(30,440,936)</b>	<b>488,249,277</b>
Earnings per ordinary shares (Rs.) (Face value AED 1,000 each)			
Basic and diluted	2.22	(2,767.36)	44,386.30
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

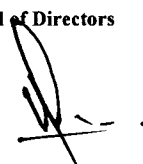
Mumbai  
11 May 2016



For and on behalf of the Board of Directors



Udit Sureka  
Director



Vinod Soni  
Director

11 May 2016

# Aster Commodities DMCC

## Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>A Cash flow from operating activities</b>		
Profit before tax	(30,440,936)	488,249,277
<i>Adjustments for</i>		
Depreciation and amortisation expenses	43,429,948	38,435,405
Provision for employee benefits	4,501,000	7,972,332
Interest income	(149,959,022)	(248,853,532)
Interest expense	81,536,703	242,709,737
<b>Operating cash flow before working capital changes</b>	(50,932,307)	528,513,219
Adjustments for working capital changes		
(Increase)/decrease in trade receivables, loan and advances & other current assets	(330,982,439)	970,718,482
Decrease/(increase) in stock-in-trade	168,537,565	(256,997,175)
Decrease in liabilities and provisions	(648,792,867)	(308,252,280)
<b>Net cash (used in)/generated from operating activities - A</b>	(862,170,048)	933,982,246
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets, capital work-in progress and capital advances	(5,610,693)	(19,527,221)
Unsecured loans given (net) (refer note 2 below)	(758,319,563)	(2,204,270,797)
Interest received	131,428,107	403,026,320
<b>Net cash used in investing activities - B</b>	(632,502,149)	(1,820,771,698)
<b>C Cash flow from financing activities</b>		
Proceeds from/(repayment of) secured borrowings (net) (refer note 2 below)	3,086,907,779	(86,040,603)
(Repayment of)/ proceeds from unsecured loan (net) (refer note 2 below)	(733,626,659)	862,966,875
Dividend paid	(65,599,875)	-
Interest paid	(167,492,999)	(160,842,395)
<b>Net cash generated from financing activities - C</b>	2,120,188,246	616,083,877
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>625,516,049</b>	<b>(270,705,574)</b>
Cash and cash equivalent as at the beginning of the year	245,207,424	515,912,999
Cash and cash equivalent as at the end of the year (refer note 1 below)	870,723,471	245,207,424

Notes:

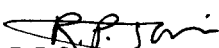
1 Cash and cash equivalents include the following: (refer note 2.11)

Cash	126,542	69,744
Cheques in hand	1,263,703	-
Balances with banks:		
In current accounts	869,333,226	245,137,680
<b>Total of cash and cash equivalents</b>	<b>870,723,471</b>	<b>245,207,424</b>

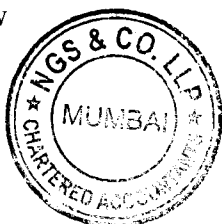
2 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

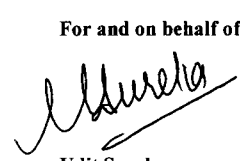
For NGS & Co. LLP  
Chartered Accountants  
Firm's Registration No. 119850W

  
R. P. Somi  
Partner  
Membership No: 104796

Mumbai  
11 May 2016



For and on behalf of the Board of Directors

  
Udit Sureka  
Director

  
Vinod Somi  
Director

11 May 2016

# Aster Commodities DMCC

## Notes to the financial statements

for the year ended 31 March 2016

(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.





# Aster Commodities DMCC

## Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

#### 1.4 Revenue recognition

- Income from treasury operations comprises of profit/loss on equity, commodities, interest rate and currency derivative instruments.  
Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Interest income is recognised on the accrual basis.
- Sale of commodity is recognised when all the significant risks and rewards have been passed to the buyer.
- Purchase and sale of bullion is recorded at the price which is fixed between the buyer and the seller at the future date including the contracts where the price is fixed subsequent to the balance sheet date. In case of unfixed purchase/ sale contracts as at the reporting date, the price is recorded at the market rate as on the reporting date.

#### 1.5 Fixed assets and depreciation

##### Tangible fixed assets and Capital work in progress

Tangible fixed assets are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

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

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

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



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

#### 1.5 Fixed assets and depreciation (Continued)

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

#### Intangible fixed assets

The useful lives of intangibles are as follows:

Nature of assets	Useful life
Jewellery designs	5 years
Software	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 Stock-in-trade

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

#### 1.8 Employee benefits

##### *Gratuity*

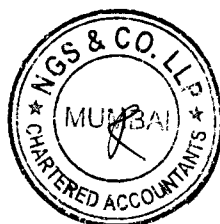
Provision for employees' end of service benefits is made in accordance with the U.A.E. Labour Laws, and is based on current remuneration and periods of service at the end of the reporting period.

##### *Compensated Absences*

The eligible employees of 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 as per IAS 19 and AS 15 –Accounting for employee benefits, based on a valuation by an independent actuary.

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 are recognised immediately in the statement of profit and loss.



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

#### 1.9 Operating leases

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

#### 1.10 Earnings per share

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

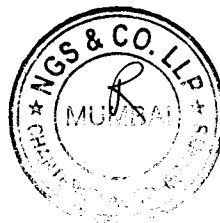
Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the ordinary shareholders for the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

#### 1.11 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.



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2016	As at 31 March 2015
<b>2.1 Share capital</b>		
<b>Authorised :</b>		
11,000 (Previous year: 11,000) Ordinary shares of AED 1,000 each	<u>133,729,953</u>	<u>133,729,953</u>
<b>Issued, subscribed and paid up:</b>		
11,000 (Previous year: 11,000) Ordinary shares of AED 1,000 each, fully paid-up	<u>133,729,953</u>	<u>133,729,953</u>
	<u>133,729,953</u>	<u>133,729,953</u>

### Movement in ordinary share capital during the year:

	31 March 2016		31 March 2015	
	Number of Shares	Amount	Number of Shares	Amount
<b>Ordinary shares of AED 1,000 each</b>				
Outstanding at the beginning of the year	11,000	133,729,953	11,000	133,729,953
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>11,000</u>	<u>133,729,953</u>	<u>11,000</u>	<u>133,729,953</u>

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

	31 March 2016		31 March 2015	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Ordinary shares				
EC International Limited, the holding company	11,000	100%	11,000	100%

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

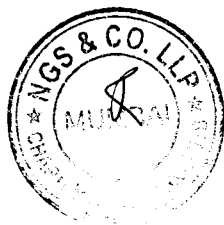
	31 March 2016		31 March 2015	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
Ordinary shares				
EC International Limited, the holding company	11,000	100%	11,000	100%

### Terms/rights attached to ordinary shares:

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

In the event of liquidation of the Company, the holders of ordinary shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts.

The distribution will be in proportion to the number of ordinary shares held by the shareholders.



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2016	As at 31 March 2015
<b>2.2 Reserves and surplus</b>		
Foreign exchange translation reserves	(5,523,684)	(5,523,684)
Surplus in statement of profit and loss		
Opening balance	2,657,827,433	2,235,178,031
Add: (Loss)/profit for the year	(30,440,936)	488,249,277
Amount available for appropriation	2,627,386,497	2,723,427,308
Appropriations:		
Interim dividend	-	65,599,875
Closing balance	2,627,386,497	2,657,827,433
	<u>2,621,862,813</u>	<u>2,652,303,749</u>
<b>2.3 Long-term provisions</b>		
Gratuity	11,741,000	8,547,000
Compensated leave absences	1,251,000	806,000
	<u>12,992,000</u>	<u>9,353,000</u>
<b>2.4 Short-term borrowings</b>		
<b><u>Secured</u></b>		
Secured loan		
- from bank	2,251,571,941	1,469,709,335
(Secured against fixed deposit; refer note 2.25) (at variable rate of interest, for a tenure of 30 days)		
Letter of credit discounted	2,305,045,173	-
(Secured against fixed deposits; refer note 2.25)		
<b><u>Unsecured</u></b>		
Loans and advances from holding company	684,636,185	788,119,873
[Repayable on demand, at variable rate of interest ranging from 0.18% p.a. to 0.43% p.a.(Previous Year 7.64% p.a. to 10.38% p.a.)]		
Loans and advances from related parties	81,257,803	711,400,774
(Interest free, repayable on demand)		
	<u>5,322,511,102</u>	<u>2,969,229,982</u>

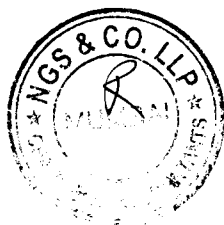


# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2016	As at 31 March 2015
<b>2.5 Other current liabilities</b>		
Interest accrued but not due on borrowings	2,001,520	1,997,898
Interest accrued and due on borrowings	-	85,959,918
Premium received on exchange traded options	21,495,653	-
Accrued salaries and benefits	24,998,566	63,732,467
Payable to exchange / clearing house (net)	-	455,505
Advances from customers	103,382	5,983,582
Others	39,897,647	37,554,480
	<u>88,496,768</u>	<u>195,683,850</u>
<b>2.6 Short-term provisions</b>		
Provision for employee benefits		
Gratuity	2,152,000	1,416,000
Leave accumulation	307,000	181,000
<b>Others</b>		
Proposed dividend	-	65,599,875
	<u>2,459,000</u>	<u>67,196,875</u>



## Aster Commodities DMCC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 2.7 Fixed assets

Description of Assets	Gross Block			Depreciation and amortisation			Net Block		
	As at 1 April 2015	Additions during the year	Deductions / Adjustments during the year	As at 31 March 2016	As at 1 April 2015	Additions during the year	Deductions/ Adjustments during the year	As at 31 March 2016	As at 31 March 2015
<b>Tangible assets</b>									
Building	1,57,285,446	-	-	157,285,446	9,651,109	7,381,718	-	17,032,827	147,634,337
Leasehold improvements	8,870,002	-	-	8,870,002	3,493,792	268,810	-	3,762,602	5,376,210
Plant and equipment	3,491,290	-	-	3,491,290	1,602,659	353,274	-	1,955,933	1,888,631
Furniture and fixtures	2,851,945	17,496,235	-	20,348,180	555,786	1,721,077	-	2,276,863	2,296,158
Vehicles	1,455,064	-	-	1,455,064	762,244	219,782	-	982,026	692,819
Office equipment	3,600,954	917,880	-	4,518,834	2,235,090	844,460	-	3,079,550	1,365,863
Computers	1,921,956	1,919,075	-	3,841,031	1,245,209	798,484	-	2,043,693	676,747
<b>Total : A</b>	<b>179,476,657</b>	<b>20,333,190</b>	<b>-</b>	<b>199,809,847</b>	<b>19,545,889</b>	<b>11,587,605</b>	<b>-</b>	<b>31,133,493</b>	<b>159,930,765</b>
<b>Intangible assets</b>									
Jewellery designs	163,167,900	-	-	163,167,900	67,979,520	31,816,390	-	99,795,910	95,188,380
Software	-	474,985	-	474,985	-	25,953	-	25,953	-
<b>Total : B</b>	<b>163,167,900</b>	<b>474,985</b>	<b>-</b>	<b>163,642,885</b>	<b>67,979,520</b>	<b>31,842,343</b>	<b>-</b>	<b>99,821,863</b>	<b>95,188,380</b>
<b>Grand total (A+B)</b>	<b>342,644,557</b>	<b>20,808,175</b>	<b>-</b>	<b>363,452,732</b>	<b>87,525,409</b>	<b>43,429,948</b>	<b>-</b>	<b>130,955,356</b>	<b>255,119,145</b>
Previous year	213,346,270	129,298,287	-	342,644,557	49,090,004	38,435,405	-	87,525,409	255,119,145

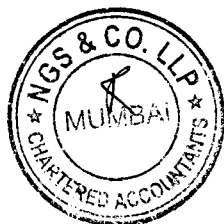


# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2016	As at 31 March 2015
<b>2.8 Long-term loans and advances</b> (Unsecured, considered good)		
Capital advances	-	12,949,995
Security deposits		
Rental deposits	134,096	-
	<u>134,096</u>	<u>12,949,995</u>
<b>2.9 Stock in trade</b>		
<i>Commodities</i>		
Agricultural products*	97,000,123	265,537,688
*Quantitative details of commodities are not given due to the varied nature of products and measurement units		
	<u>97,000,123</u>	<u>265,537,688</u>
<b>2.10 Trade receivables</b>		
Debtors outstanding for a period exceeding six months		
Unsecured, considered good	21,644,842	21,718
Other debts		
Unsecured, considered good	954,962,392	2,167,005,368
	<u>976,607,234</u>	<u>2,167,027,086</u>
<b>2.11 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Cash in hand	126,542	69,744
Cheques in hand	1,263,703	-
Balances with banks		
- in Current accounts	869,333,226	245,137,680
<b>Other balances with banks</b>		
Short term deposits with bank (refer note 2.25)	937,222,406	521,222,180
	<u>1,807,945,877</u>	<u>766,429,604</u>



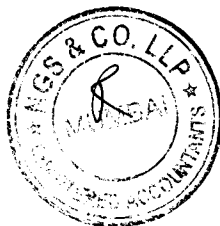


# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2016	As at 31 March 2015
<b>2.12 Short-term loans and advances</b> (Unsecured, considered good)		
Loans and advances to related parties	4,130,759,456	3,372,439,893
Other loans and advances		
Advances to others	3,817,442	24,156,807
Deposits- others	1,250,290	962,699
Prepaid expenses	3,620,181	3,728,214
Loans and advances to employees	7,352,442	1,999,398
Vendor advances	650,843,608	156,367,736
	<u>4,797,643,419</u>	<u>3,559,654,747</u>
<b>2.13 Other current assets</b>		
Accrued interest on fixed deposits	24,781,261	1,758,604
Accrued interest on loans given	3,794,556	8,286,298
Receivable from exchange / clearing house (net)	472,819,850	100,145,280
Mark to market on derivatives	5,091,474	58,249,646
Currency options premium paid	-	10,662,467
Margin placed with broker	791,492,232	474,747,303
	<u>1,297,979,373</u>	<u>653,849,598</u>



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>2.14 Income from treasury operations</b>		
Profit on trading in equity derivative instruments (net)	162,786	-
Profit / (loss) on trading in commodity derivative instruments (net)	335,758,333	(181,213,548)
Loss on trading in currency derivative instruments (net)	(153,264,637)	(363,853,190)
Profit on trading in interest rate derivative (net)	85,260	28,485
Gain on foreign exchange movement on trade	104,382,175	79,104,697
	<u>287,123,917</u>	<u>(465,933,556)</u>
<b>2.15 Other operating revenue</b>		
Interest income on loan to fellow subsidiary companies	121,888,155	67,224,886
Interest income on fixed deposits	28,070,867	181,303,108
	<u>149,959,022</u>	<u>248,527,994</u>
<b>2.16 Other income</b>		
Interest income - others	558,517	439,028
	<u>558,517</u>	<u>439,028</u>

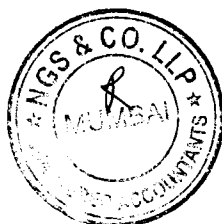


# Aster Commodities DMCC

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>2.17 Employee benefit expenses</b>		
Salaries and wages (refer note 2.24)	117,465,478	133,325,676
Staff welfare expenses	4,315,466	604,803
	<u>121,780,944</u>	<u>133,930,479</u>
<b>2.18 Finance costs</b>		
Interest on bank overdraft	-	7,263
Interest on loan from a holding company	2,097,063	63,725,434
Interest on loan from fellow subsidiaries	571,837	20,531,911
Interest - others	70,423,275	47,931,616
LC discounting charges	8,444,528	110,513,513
Finance and bank charges	133,850,456	66,715,264
	<u>215,387,159</u>	<u>309,425,001</u>
<b>2.19 Other expenses</b>		
Advertisement and business promotion	330,585	114,174
Auditors' remuneration (refer note below)	1,557,026	661,252
Commission and brokerage	55,075,484	28,249,442
Communication	4,224,771	3,221,156
Computer software	-	132,371
Clearing and custodian charges	12,805,525	3,381,794
Electricity charges	257,673	170,656
Freight and forwarding expenses	5,576,103	9,055,573
Housekeeping and security charges	272,456	345,539
Insurance	2,150,350	3,812,004
Legal and professional fees	15,583,922	18,173,773
Membership and subscription	3,376,209	3,474,702
Office expenses	400,351	335,367
Postage and courier	530,971	352,290
Printing and stationery	35,987	147,299
Rates and taxes	-	106,202
Rent	816,612	-
Repairs and maintenance - building	3,227,560	-
Repairs and maintenance - others	1,284,303	2,418,625
Seminar and conference	226,141	563,400
Transportation charges	(197,348)	7,116,800
Travelling and conveyance	12,081,748	8,941,295
Miscellaneous expenses	(86)	6,215
	<u>119,616,343</u>	<u>90,779,929</u>
Note:		
<b>Auditors' Remuneration:</b>		
As auditor	<u>1,557,026</u>	<u>661,252</u>



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

for the year ended 31 March 2016

(Currency: Indian rupees)

### 2.20 Segment reporting

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

### 2.21 Related parties

#### (A) Names of related parties by whom control is exercised

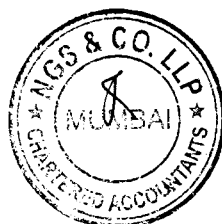
EC International Limited	Holding company
Edelweiss Financial Services Limited	Ultimate holding company

#### (B) Fellow subsidiaries with whom transactions have taken place during the year

EC Global Limited  
Edelweiss Commodities Services Limited  
Edel Commodities Limited  
Edelweiss Capital (Singapore) Pte. Limited  
Edelweiss Commodities Pte. Limited  
Edelweiss International (Singapore) Pte. Limited  
Edelweiss Commodities Chad SARL  
Edelweiss Commodities Nigeria Limited  
Edelweiss Agri Value Chain Limited (formerly known as Edelweiss Integrated Commodity Management Limited)

#### (C) Key Management Personnel

Guruprasad Rao (w.e.f. 13 November 2015)  
Udit Sureka  
Vinod Kumar Soni  
Shalin Khanna (w.e.f. 18 June 2015 till 19 November 2015)  
Durga Prasad Jhawar (till 19 November 2015)



# Aster Commodities DMCC

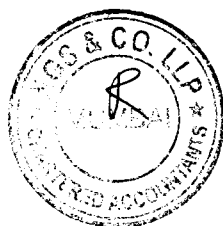
## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 2.21 Related parties (continued)

#### (D) Transactions with related parties :

Nature of transaction	Related party name	For the year ended 31 March 16	For the year ended 31 March 15
<b>Current account transactions</b>			
Short term loans taken from (refer note below)	E C Global Limited	76,614,426	1,512,823,149
	EC International Limited	764,678,648	124,272,000
	Edelweiss Commodities Pte. Limited	23,561,734	700,373,515
	Edelweiss International (Singapore) Pte. Limited	112,108,040	-
Short term loan repaid to (refer note below)	E C Global Limited	76,614,426	1,516,112,946
	Edelweiss Commodities Pte. Limited	687,276,150	-
	Edelweiss Financial Services Limited	-	72,201,262
	EC International Limited	913,275,234	-
	Edelweiss International (Singapore) Pte. Limited	112,108,040	-
Short term loans given to (refer note below)	E C Global Limited	670,095,343	3,169,502,557
	Edelweiss International (Singapore) Pte. Limited	177,557,301	633,659,670
	Edelweiss Capital (Singapore) Pte. Limited	326,860,157	898,164,030
	Edelweiss Commodities Pte. Limited	255,252,120	1,747,979
Short term loans repaid by (refer note below)	E C Global Limited	326,392,873	2,431,795,715
	Edelweiss International (Singapore) Pte. Limited	438,622	673,478,950
	Edelweiss Capital (Singapore) Pte. Limited	275,685,379	2,538,242
	Edelweiss Commodities Pte. Limited	255,252,120	2,048,478
<b>Secondary market transactions</b>			
Purchases of commodities from	Edelweiss Commodities Chad SARL	228,352,186	252,256,818
	Edelweiss Commodities Nigeria Limited	295,704,237	179,650,966
	Edelweiss Commodities Pte. Limited	3,280,238,872	-
Sale of commodities to	Edelweiss Commodities Services Limited	3,969,959,428	14,875,338,332
	Edelweiss Integrated Commodity Management Limited	175,939,000	-
	Edelweiss Commodities Pte. Limited	494,857,504	-
Interest expenses on loans from	E C Global Limited	127,293	20,531,911
	EC International Limited	2,097,063	63,725,434
	Edelweiss International (Singapore) Pte. Limited	444,544	-
Net amount earned on settlement of forward contract	EC International Limited	-	1,984,815,098
Net amount earned/incurred on settlement of forward contract	E C Global Limited	1,327,544,056	1,405,827,208
Interest income on loans from	E C Global Limited	121,888,155	67,224,886
Cost reimbursement recovered from	Edelweiss Commodities Nigeria Limited	6,207,118	1,749,542
	Edelweiss Commodities Chad SARL	1,786,433	1,095,045
Legal and professional fees paid to	Edel Commodities Limited	3,316,645	3,129,540



## Aster Commodities DMCC

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

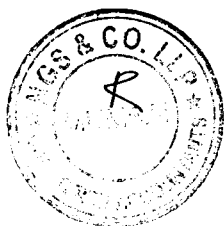
#### 2.21 Related parties (continued)

##### (D) Transactions with related parties :

Nature of transaction	Related party name	For the year ended 31 March 16	For the year ended 31 March 15
Commission and brokerage paid to	Edelweiss Financial Services Limited	97,564,166	55,109,635
Remuneration paid	Guruprasad Rao	25,354,027	-
	Udit Sureka	6,147,835	10,353,936
	VinodKumar Soni	4,725,814	4,211,489
	Durga Prasad Jhawar	2,139,963	2,397,053
	Shalin Khanna	3,003,654	-
<b>Balances with related parties as on 31 March 2016</b>			
Short term loans taken from	Edelweiss Commodities Pte. Limited	81,257,803	711,400,774
	EC International Limited	684,636,185	788,119,873
Trade payables to	Edelweiss Financial Services Limited	97,616,491	55,109,635
	Edel Commodities Limited	3,316,645	3,129,540
	Edelweiss Commodities Pte. Limited	4,957,071	-
Interest accrued on borrowings	E C Global Limited	-	20,531,911
	EC International Limited	689,748	65,428,007
Trade receivables from	Edelweiss Commodities Services Limited	358,470,782	1,640,974,626
	E C Global Limited	-	194,388,458
Interest accrued on loans given	E C Global Limited	3,794,556	8,286,298
Short-term loans and advances given to	Edelweiss Capital (Singapore) Pte. Limited	1,017,400,754	911,065,426
	Edelweiss Commodities Chad SARL	161,827,834	14,946,515
	Edelweiss International (Singapore) Pte. Limited	264,887,056	80,560,619
	Edelweiss Commodities Nigeria Limited	163,604,422	102,142,146
	E C Global Limited	2,848,471,646	2,380,510,848
Accrued salaries and benefits	Udit Sureka	1,973,502	5,282,059
	VinodKumar Soni	536,792	937,140
	Guruprasad Rao	9,735,942	-
<b>Off Balance Sheet Item</b>			
Corporate guarantee given by	Edelweiss Financial Services Limited	8,848,390,299	6,321,670,800

##### Note :

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



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2016

(Currency: Indian rupees)

### 2.22 Earnings per share

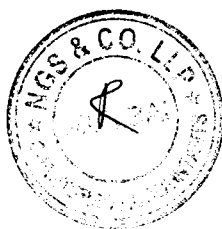
In accordance with Accounting Standard 20 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

Sr. No.	Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
a)	Shareholders earnings (as per statement of profit and loss)	(30,440,936)	488,249,277
b)	Calculation of weighted average number of ordinary shares of 1000 AED each:		
	- Number of shares at the beginning of the year	11,000	11,000
	- Shares issued during the year	-	-
	Total number of ordinary shares outstanding at the end of the year	11,000	11,000
	Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	11,000	11,000
c)	Basic and diluted earnings per share (in rupees) (a/b)	(2,767.36)	44,386.30

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

### 2.23 Contingent liabilities and capital commitment

Sr. No	Particulars	As at 31 March 2016	As at 31 March 2015
i)	Contingent liabilities	-	-
ii)	Commitments:		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	4,504,976



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2016

(Currency: Indian rupees)

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

#### *Defined benefit plan (Gratuity)*

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

#### **Expenses recognised in the statement of profit and loss:**

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Current service cost	2,485	1,306
Interest cost	777	291
Past service cost	-	2,205
Exchange rate adjustment	617	127
Actuarial loss/(gain)	583	2,760
<b>Total included in 'Employee Benefit Expenses'</b>	<b>4,462</b>	<b>6,689</b>

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

Particulars	As at 31 March 2016	As at 31 March 2015
Present value of defined benefit obligation (DBO)	13,893	9,963
Fair value of plan assets	-	-
<b>Net (liability) / assets recognised in the balance sheet</b>	<b>(13,893)</b>	<b>(9,963)</b>

#### **Reconciliation of Defined benefit obligation:**

Particulars	As at 31 March 2016	As at 31 March 2015
Present value of DBO at start of the year	9,963	2,971
Transfer In/(Out)	-	303
Interest cost	777	291
Current service cost	2,485	1,306
Benefits Paid	(532)	-
Past service cost	-	2,205
Exchange rate adjustment	617	127
Actuarial (gain)/loss on obligations:	583	2,760
<b>Present value of DBO at the end of the year</b>	<b>13,893</b>	<b>9,963</b>





# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2016

(Currency: Indian rupees)

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

#### Experience Adjustment:

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

\*Being the first actuarial valuation

#### Principal actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Discount rate	7.4% p.a.	7.8% p.a.
Salary escalation	7% p.a.	7% p.a.
Employee attrition rate	13% to 25%	13% to 25%
Mortality rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working lives of employees	4 years	4 years

### 2.25 Encumbrances on fixed deposits held by the Company

- i) Fixed deposit aggregating to Rs. 588,501,440 (Previous year: Rs.395,292,494) have been pledged with bank against secured loan from bank
- ii) Fixed deposit aggregating to Rs. 4,965,249,730 (Previous year: Rs. Nil) have been pledged with banks for securing letter of credit.
- iii) Fixed deposit aggregating to Rs. 134,055,541 ( Previous year: Rs.125,929,686) have been pledged with exchange and broker for meeting margin requirements.



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2016

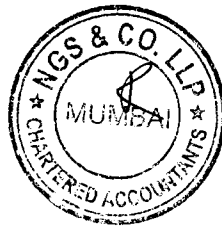
(Currency: Indian rupees)

### 2.26 Details of purchases, sales and stock in trade:

#### Commodities

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>Opening stock</b>		
Agri	265,537,688	-
Bullion	-	8,540,513
Base Metal	-	-
	<b>265,537,688</b>	<b>8,540,513</b>
<b>Purchase</b>		
Agri	5,582,113,694	11,311,281,439
Bullion	32,098,123,732	50,150,000,116
Base Metal	852,454,415	-
	<b>38,532,691,841</b>	<b>61,461,281,555</b>
<b>Sale</b>		
Agri	5,865,027,126	12,167,593,544
Bullion	32,026,841,200	50,314,477,461
Base Metal	841,493,082	-
	<b>38,733,361,408</b>	<b>62,482,071,005</b>
<b>Closing stock ( Refer note)</b>		
Agri	97,000,123	265,537,688
Bullion	-	-
Base Metal	-	-
	<b>97,000,123</b>	<b>265,537,688</b>
<b>Profit on sale of commodities</b>	<b>32,132,002</b>	<b>1,277,786,625</b>

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



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2016

(Currency: Indian rupees)

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

Open position as at 31 March 2016

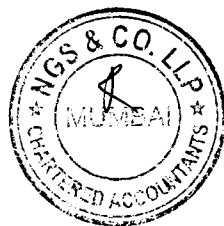
a) Options

Particulars of contract	Premium received
<b>Options</b>	
USDINR	906,970
USDINR	11,020,222
USDINR	2,111,086
USDINR	18,150,768
<b>Total</b>	<b>32,189,046</b>

Particulars of contract	Premium paid
<b>Options</b>	
DINRO149.25CE270416	1,608,838
DINRO149.25PE270416	2,986,572
DINRO150.38CE270416	977,747
DINRO150.38PE270416	5,120,234
<b>Total</b>	<b>10,693,391</b>

b) Currency future

Particulars of contract	Number of contracts	Number of units involved
Long positions		
Currency forwards		
DINR270416	2,250,600	2,250,600



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

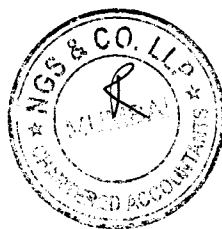
For the year ended 31 March 2016

(Currency: Indian rupees)

### 2.27 Open position as at 31 March 2016 (Continued)

#### e) Currency forward

Particulars of contract	Number of contracts	Number of units involved
Long positions		
Currency forwards		
USDINR	30,000,000	30,000,000
USDINR	123,000,000	123,000,000
USDCNY	784,000	784,000
USDINR	7,000,000	7,000,000
USDINR	111,000,000	111,000,000
<b>Total</b>	<b>271,784,000</b>	<b>271,784,000</b>
Short positions		
Currency forwards		
EURUSD	93,000	93,000
USDINR	20,000,000	20,000,000
USDINR	450,000	450,000
USDINR	40,000,000	40,000,000
EURUSD	89,200	89,200
EURUSD	92,000	92,000
<b>Total</b>	<b>60,724,200</b>	<b>60,724,200</b>



# Aster Commodities DMCC

## Notes to the financial statements (Continued)

For the year ended 31 March 2016

(Currency: Indian rupees)

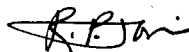
### 2.27 Open position as at 31 March 2016 (Continued)

#### d) Commodity forward

Particulars of contract	Number of contracts	Number of units involved
Long positions		
Commodity forwards		
CMX SILVER	32	1600
LME NICKEL US	158	948
GC 28JUN16	25	2500
SI 26MAY16	18	1800
YG 26JUN15	4	128.6
LME ALUM US	310	7750
<b>Total</b>	<b>547</b>	<b>14,727</b>
Short positions		
Commodity forwards		
CMX GOLD	718	71,800
LME ZINC US	257	6,425
LME LEAD US	33	825
<b>Total</b>	<b>1,008</b>	<b>79,050</b>

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



**Udit Sureka**  
Director



**Vinod Soni**  
Director

Mumbai  
11 May 2016

11 May 2016