

# **EC Commodity Limited**

**Financial Statements  
together with Auditors' Report  
for the year ended 31 March 2015**

# **EC Commodity Limited**

**Financial statements together with Auditors' Report**  
for the year ended 31 March 2015

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**Independent Auditors' Report**

**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 2015, 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 thereunder.

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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

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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 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 2015, and its profit and its cash flows for the year ended on that date.

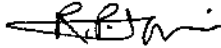
### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 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 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Act;
  - f. 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;



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: 14 May 2015

**Annexure 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 2015, we report that:**

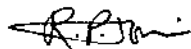
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) As explained to us, the fixed assets have been physically verified by the management during the year as per the phased programme, designed to cover all the items 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.
- (ii) (a) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities and warehouse receipts in respect of commodities held as inventory at reasonable intervals during the year.
- (b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records in respect of inventories. No material discrepancies have been noticed on physical verification of stock in trade.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, we have not observed any major weakness in the internal control system during the course of the audit.
- (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 of the 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, wealth tax, service tax, sales tax, value added 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.



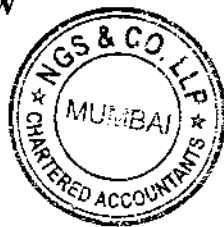
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth tax, service tax, sales tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of income-tax, wealth tax, service tax, sales tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanation given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) In our opinion, the Company has accumulated losses at the end of the financial year are more than fifty percent of it's net worth. The Company has not incurred cash losses in the current financial year. However, in the immediately preceding financial year it has incurred cash losses.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company does not owe any dues to a financial institution, bank or debenture holders. Accordingly, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, no term loan has been taken by the Company during the previous financial year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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



**R. P. Soni**  
**Partner**  
**Membership No.:104796**



Place: Mumbai  
Date: 14 May 2015

# EC Commodity Limited

## Balance Sheet

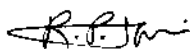
(Currency: Indian rupees)

	Note	As at 31 March 2015	As at 31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	95,75,000	95,75,000
Reserves and surplus	2.2	95,47,724	68,50,238
		<b>1,91,22,724</b>	<b>1,64,25,238</b>
<b>Non-current liabilities</b>			
Long-term provisions	2.3	12,73,000	2,57,204
<b>Current liabilities</b>			
Short-term borrowings	2.4	57,53,97,000	14,75,70,065
Trade payables	2.5	31,18,22,948	32,34,95,944
Other current liabilities	2.6	6,35,73,976	57,04,11,644
Short-term provisions	2.7	24,36,577	1,08,92,047
<b>TOTAL</b>		<b>97,36,26,225</b>	<b>1,06,90,52,142</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	2.8	1,03,668	1,83,862
Intangible assets	2.8	2,24,206	-
Deferred tax assets (net)	2.9	5,39,792	1,84,014
Long-term loans and advances	2.10	31,75,381	92,834
Other non-current assets	2.11	32,77,618	2,71,040
		<b>73,20,665</b>	<b>7,31,750</b>
<b>Current assets</b>			
Stock in trade	2.12	5,12,82,630	20,37,85,165
Trade receivables	2.13	8,83,934	28,50,20,609
Cash and bank balances	2.14	41,87,730	64,14,013
Short-term loans and advances	2.15	26,20,73,817	2,98,84,273
Other current assets	2.16	64,78,77,449	54,32,16,332
		<b>96,63,05,560</b>	<b>1,06,83,20,392</b>
<b>TOTAL</b>		<b>97,36,26,225</b>	<b>1,06,90,52,142</b>

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

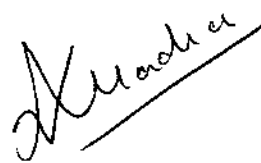


**R. P. Soni**  
Partner  
Membership No.: 104796




Mumbai  
14 May 2015

For and on behalf of the Board of Directors



**Vishal Madia**  
Director  
DIN 06865560



**Nikhil Johari**  
Director  
DIN 01960539

Mumbai  
14 May 2015



# EC Commodity Limited

## Statement of profit and loss

(Currency: Indian rupees)

	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Revenue from operations</b>			
Fee and commission income	2.17	1,44,04,011	1,88,15,889
Income from treasury operations	2.18	3,92,31,676	(2,96,01,476)
Sale of commodities		84,67,32,265	29,99,67,046
Other operating revenue	2.19	8,55,02,822	6,37,68,629
Other income	2.20	2,20,437	2,11,937
<b>Total revenue</b>		<b>98,60,91,211</b>	<b>35,31,62,025</b>
<b>Expenses</b>			
Purchases of commodities		68,42,56,744	48,18,36,806
Changes in stock in trade		18,21,04,010	(18,21,04,010)
Employee benefit expenses	2.21	3,15,07,940	60,02,800
Finance costs	2.22	7,94,15,848	2,72,67,226
Depreciation and amortisation	2.8	1,71,604	75,609
Other expenses	2.23	57,24,171	24,03,023
<b>Total expenses</b>		<b>98,31,80,317</b>	<b>33,54,81,454</b>
<b>Profit before tax</b>		<b>29,10,894</b>	<b>1,76,80,571</b>
<b>Tax expense:</b>			
Current tax		5,69,186	1,54,81,082
Deferred tax		(3,55,778)	7,77,30,059
<b>Profit/ (loss) for the year</b>		<b>26,97,486</b>	<b>(7,55,30,570)</b>
Earnings per equity share: (Face value of share Rs. 10)	2.27		
Basic and diluted		2.82	(78.88)
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



**Vishal Madia**

Director

DIN 06865560



**Nikhil Johari**

Director

DIN 01960539

Mumbai

14 May 2015

Mumbai

14 May 2015

# EC Commodity Limited

## Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>A Cash flow from operating activities</b>		
Profit before taxation	29,10,894	1,76,80,571
Adjustments for:		
Depreciation and amortisation	1,71,604	75,609
Provision for gratuity and compensated leave absences	12,38,625	(5,85,800)
Loss on conversion of long term investment into stock in trade	-	1,31,76,358
Mark to market on stock in trade	(2,96,01,475)	1,64,25,118
Dividend on long term investment	-	(2,11,937)
Interest income on loans given	(4,26,95,766)	(3,78,67,222)
Interest expense	6,22,21,629	2,66,52,298
<b>Operating cash flow before working capital changes</b>	<b>(57,54,489)</b>	<b>3,53,44,995</b>
Adjustments for working capital changes		
Decrease/(Increase) in trade receivables, loans and advances, and other assets	21,75,65,263	(34,97,09,584)
Decrease/(Increase) in stock in trade	18,21,04,010	(18,21,04,010)
Increase in liabilities and provisions	55,17,442	6,15,91,794
<b>Cash generated/(used in) from operations</b>	<b>39,94,32,226</b>	<b>(43,48,76,805)</b>
Less : Income taxes paid/(refund)	1,21,46,982	(2,48,50,628)
<b>Net cash generated from/(used in) operating activities - A</b>	<b>38,72,85,244</b>	<b>(41,00,26,177)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(3,15,616)	(1,31,922)
Dividend received on long term investment	-	2,11,937
Interest received	26,60,785	3,67,42,065
Proceeds from/(deployment of) unsecured loans given (net) (refer note 2)	(23,07,56,541)	5,58,53,770
Payable for the demerged business held in trust	(56,42,29,801)	56,42,29,801
<b>Net cash (used in) / generated from investing activities - B</b>	<b>(79,26,41,173)</b>	<b>65,69,05,651</b>
<b>C Cash flow from financing activities</b>		
Proceeds from / (repayment of) unsecured loans (net) (refer note 2)	42,78,26,935	(28,26,12,675)
Interest paid	(2,14,50,749)	(2,69,89,002)
<b>Net cash generated from/ (used in) financing activities - C</b>	<b>40,63,76,186</b>	<b>(30,96,01,677)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>10,20,257</b>	<b>(6,27,22,203)</b>
Cash and cash equivalent as at the beginning of the year	8,24,013	6,35,46,216
Cash and cash equivalent as at the end of the year (refer note 2.14)	18,44,270	8,24,013

### Notes:

1 Cash and cash equivalents include the following:

Balances with scheduled banks:

In current accounts

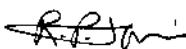
18,44,270 8,24,013

18,44,270 8,24,013

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



**Vishal Madia**  
Director  
DIN 06865560



**Nikhil Johari**  
Director  
DIN 01960539

Mumbai  
14 May 2015

Mumbai  
14 May 2015

# EC Commodity Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Currency: Indian rupees)

### 1. Significant accounting policies

#### 1.1 Basis of preparation of financial statements

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

#### 1.2 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statement. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.3 Current-non-current classification

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

##### Assets

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

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

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

All other assets are classified as non-current.

##### Liabilities

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

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

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

All other liabilities are classified as non-current.



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(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 and profit/loss on sale of equity, commodity, 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.
- Sale of commodity is recognised when all the significant risks and rewards have been passed to the buyer.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- Profit/loss earned on sale of investment is recognised on trade date basis. Profit / loss on sale of investments is determined based on the weighted average cost of the investment sold.

#### 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 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.

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

Class of asset	Useful life
Office equipments	5 years
Computers	6 years



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

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

##### Intangible fixed assets

Intangibles such as software are 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. 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

- a) The securities acquired with the intention of short-term holding and as trading positions are considered as inventories and disclosed as current assets.
- b) The securities held as Inventories under current assets are valued at lower of weighted average cost or market value / fair value. In case of units of mutual funds, net asset value is considered as fair value.
- c) The commodity stocks are valued at lower of weighted average cost or net realisable value, whichever is lower.

#### 1.8 Investments

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

Long term 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 (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

#### 1.9 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:

##### *Gratuity*

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service 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 actuarial valuation 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 are recognised immediately in the statement profit and loss.

##### *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 profit & loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

#### 1.10 Earnings per share

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



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 1. Significant accounting policies (Continued)

#### 1.11 Taxation

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

##### *Income 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 the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain, as the case may be, to be realised.

#### 1.12 Provisions and contingencies

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

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

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



# EC Commodity Limited

Notes to the financial statements (Continued)  
as at 31 March 2015

(Currency: Indian rupees)

	As at 31 March 2015		As at 31 March 2014	
<b>2.1 Share capital</b>				
<b>(a) Authorised :</b>				
2,000,000 (Previous year: 2,000,000) equity shares of Rs. 10 each		2,00,00,000		2,00,00,000
<b>(b) Issued, subscribed and paid up:</b>				
957,500 (Previous year: 957,500) equity shares of Rs. 10 each		95,75,000		95,75,000
		95,75,000		95,75,000
(The entire paid up share capital is held by Edelweiss Financial Services Limited, the holding company and its nominees)				
<b>(c) Movement in share capital during the year</b>	As at 31 March 2015		As at 31 March 2014	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	9,57,500	95,75,000	9,57,500	95,75,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	9,57,500	95,75,000	9,57,500	95,75,000
<b>(d) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:</b>	31 March 2015		31 March 2014	
	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	9,57,500	100%	9,57,500	100%
<b>(e) Details of shareholders holding more than 5% shares in the Company:</b>	31 March 2015		31 March 2014	
	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	9,57,500	100%	9,57,500	100%
<b>(f) Terms/rights attached to equity shares:</b>	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.			
<b>2.2 Reserves and surplus</b>				
Securities premium account		20,83,36,278		20,14,25,000
Add : additions during the year		-		69,11,278
		20,83,36,278		20,83,36,278
<b>Surplus in the statement of profit and loss</b>				
Opening balance		(20,14,86,040)		(12,59,55,470)
Add: Profit/(loss) for the year		26,97,486		(7,55,30,570)
		(19,87,88,554)		(20,14,86,040)
		95,47,724		68,50,238





# EC Commodity Limited

Notes to the financial statements (Continued)  
as at 31 March 2015

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
<b>2.3 Long-term provisions</b>		
Provision for employee benefits		
Gratuity	11,64,000	2,32,463
Compensated leave absences	1,09,000	24,741
	<u>12,73,000</u>	<u>2,57,204</u>
<b>2.4 Short-term borrowings</b>		
Unsecured (Repayable on demand)		
Loan from holding company *	57,52,41,000	-
Loan from fellow subsidiary company *	1,56,000	14,75,70,065
	<u>57,53,97,000</u>	<u>14,75,70,065</u>
*Loans are repayable at variable rates of interest		
<b>2.5 Trade payables</b>		
Trade payables (includes sundry creditors and provision for expenses)	31,18,22,948	32,34,95,944
	<u>31,18,22,948</u>	<u>32,34,95,944</u>



# EC Commodity Limited

Notes to the financial statements (Continued)  
as at 31 March 2015

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
<b>2.6 Other current liabilities</b>		
Interest accrued and due on borrowings	4,12,92,200	5,21,320
Other payables		
Accrued salaries and benefits	1,79,57,000	14,72,917
TDS, service tax and other taxes payable	42,24,276	19,10,262
Book overdraft	-	21,82,844
Others	1,00,500	94,500
Payable for the demerged business held in trust	-	56,42,29,801
	<u>6,35,73,976</u>	<u>57,04,11,644</u>
<b>2.7 Short-term provisions</b>		
Provision for employee benefits		
Gratuity	2,65,000	62,215
Compensated leave absences	27,000	6,956
Others		
Provision for taxation	21,44,577	1,08,22,876
[Net of advance tax and TDS Rs. 45,135,738, (Previous year: Rs. 55,003,352)]		
	<u>24,36,577</u>	<u>1,08,92,047</u>



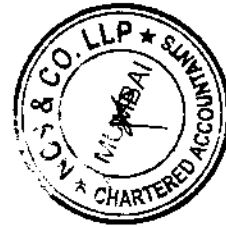
## EC Commodity Limited

Notes to the financial statements (Continued)  
as at 31 March 2015

(Currency: Indian rupees)

### 2.8 Fixed assets

Description of assets	Gross block			Depreciation and amortisation			Net block		
	As at 1 April 2014	Additions during the year	Deductions during the year	As at 31 March 2015	As at 1 April 2014	Charge for the year	Deductions during the year	As at 31 March 2015	As at 31 March 2014
Office equipments	34,319	25,841	-	60,160	4,683	19,223	-	23,906	29,636
Computers	2,95,409	31,348	-	3,26,757	1,41,183	1,18,160	-	2,59,343	1,54,226
<b>Total : A</b>	<b>3,29,728</b>	<b>57,189</b>	<b>-</b>	<b>3,86,917</b>	<b>1,45,866</b>	<b>1,37,383</b>	<b>-</b>	<b>2,83,249</b>	<b>1,83,862</b>
<b>Intangible assets</b>									
Computer software	-	2,58,427	-	2,58,427	-	34,221	-	34,221	-
<b>Total : B</b>	<b>-</b>	<b>2,58,427</b>	<b>-</b>	<b>2,58,427</b>	<b>-</b>	<b>34,221</b>	<b>-</b>	<b>34,221</b>	<b>-</b>
<b>Grand total (A+B)</b>	<b>3,29,728</b>	<b>3,15,616</b>	<b>-</b>	<b>6,45,344</b>	<b>1,45,866</b>	<b>1,71,604</b>	<b>-</b>	<b>3,17,470</b>	<b>1,83,862</b>
Previous year	1,97,806	1,31,922	-	3,29,728	70,257	75,609	-	1,45,866	1,83,862



# EC Commodity Limited

Notes to the financial statements (Continued)  
as at 31 March 2015

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
<b>2.9 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
Tax effect of the timing differences on account of:		
Disallowances under section 43B of the Income Tax Act, 1961	4,83,585	2,04,850
	<u>4,83,585</u>	<u>2,04,850</u>
<b>Deferred tax liabilities</b>		
Tax effect of the timing differences on account of:		
Difference between book and tax depreciation	56,207	(20,836)
	<u>56,207</u>	<u>(20,836)</u>
	<u>5,39,792</u>	<u>1,84,014</u>
<b>2.10 Long-term loans and advances</b>		
Unsecured, considered good		
Other deposits	23,000	23,000
Other loans and advances		
Advance income taxes	31,52,381	69,834
[Net of provision for tax Rs. 570,000, (Previous year Rs. 2,695,645)]		
	<u>31,75,381</u>	<u>92,834</u>
<b>2.11 Other non-current assets</b>		
Accrued interest on fixed deposits	3,329	53,291
Long term deposit with banks held as security deposits (Pledged with sales tax authorities for meeting deposit requirements Rs. 24,289 (Previous year Rs. 2,17,749) (Pledged with exchanges for meeting base capital requirements Rs. 32,50,000 (Previous year Rs. Nil)	32,74,289	2,17,749
	<u>32,77,618</u>	<u>2,71,040</u>



# EC Commodity Limited

Notes to the financial statements (Continued)  
as at 31 March 2015

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
<b>2.12 Stock-in-trade</b>		
<b>Securities</b>		
Equity shares (quoted)	5,12,82,630	2,16,81,155
<b>Commodities</b>		
Agricultural products **	-	18,21,04,010
	<u>5,12,82,630</u>	<u>20,37,85,165</u>
** Quantitative details of commodities are not given due to the varied nature of products and measurement units.		
Aggregate of stock in trade in equity share (quoted)		
- At book value	5,12,82,630	2,16,81,155
- At market value	5,21,78,889	2,16,81,155



# EC Commodity Limited

Notes to the financial statements (Continued)  
as at 31 March 2015

(Currency: Indian rupees)

## 2.12 Stock-in-trade (continued)

### Details of stock-in-trade

	As at 31 March 2015			As at 31 March 2014		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<i>Securities</i>						
<b>Equity shares (quoted)</b>						
Essar Ports Limited	10	4,23,874	5,12,82,630	10	4,23,874	2,16,81,155
			<u>5,12,82,630</u>			<u>2,16,81,155</u>



# EC Commodity Limited

## Notes to the financial statements (Continued)

as at 31 March 2015

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
<b>2.13 Trade receivables</b>		
Other debts		
Unsecured, considered good	8,83,934	28,50,20,609
	<u>8,83,934</u>	<u>28,50,20,609</u>
<b>2.14 Cash and bank balances</b>		
Cash and cash equivalents		
Balances with banks		
in current accounts	17,44,270	8,24,013
in fixed deposits with maturity less than 3 months	1,00,000	-
Other bank balances		
Fixed deposits held as margin money with exchanges	22,50,000	55,90,000
Short term deposit with banks with maturity less than 12 months (Pledged with Sales Tax Authorities for meeting deposit requirements Rs. 1,93,460 (Previous year Rs. Nil) (Pledged with Exchanges for meeting base capital requirements Rs. 22,50,000 (Previous year Rs. 55,90,000))	93,460	-
	<u>41,87,730</u>	<u>64,14,013</u>
<b>2.15 Short-term loans and advances</b>		
Loans and advances to related parties	25,33,02,770	2,25,46,229
Other loans and advances		
Deposits placed with/ for exchange/ depositories	57,50,000	60,00,000
Deposits - others	15,000	15,000
Prepaid expenses	53,627	21,008
Loans and advances to employees	-	58,920
Cenvat and VAT assets	29,52,420	10,60,066
Advance tax and tax deducted at source [Net of provision for tax Rs. Nil (Previous year Rs. Nil)]	-	1,83,050
	<u>26,20,73,817</u>	<u>2,98,84,273</u>
<b>2.16 Other current assets</b>		
Accrued interest on fixed deposits	80,523	30,589
Accrued interest on loans given	4,11,60,234	11,25,253
Accrued interest on margin	16,02,867	6,27,588
Receivable from exchange / clearing house (net)	1,06,736	2,11,010
Margin placed with broker	60,49,27,089	54,12,21,892
	<u>64,78,77,449</u>	<u>54,32,16,332</u>



# EC Commodity Limited

## Notes to the financial statements (Continued) for the year ended 31 March 2015

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>2.17 Fee and commission income</b>		
Income from commodities broking	1,44,04,011	1,88,15,889
	<b>1,44,04,011</b>	<b>1,88,15,889</b>
<b>2.18 Income from treasury operations</b>		
Profit/(loss) on trading of securities (net)	3,18,67,947	(1,64,25,118)
Profit on trading in equity derivative instruments (net)	73,63,729	-
Loss on sale of long term investment	-	(1,31,76,358)
	<b>3,92,31,676</b>	<b>(2,96,01,476)</b>
<b>2.19 Other operating revenue</b>		
Interest income on loan	4,26,95,766	3,78,67,222
Interest income on fixed deposits	5,46,690	4,53,557
Interest income on margin with brokers	3,15,73,731	2,54,47,850
Interest income on overdue accounts	1,06,86,635	-
	<b>8,55,02,822</b>	<b>6,37,68,629</b>
<b>2.20 Other income</b>		
Dividend received on stock in trade	2,11,937	2,11,937
Miscellaneous income	8,500	-
	<b>2,20,437</b>	<b>2,11,937</b>
<b>2.21 Employee benefit expenses</b>		
Salaries and wages (refer note 2.35)	3,13,19,946	59,97,693
Contribution to provident and other funds	74,881	72
Staff welfare expenses	1,13,113	5,035
	<b>3,15,07,940</b>	<b>60,02,800</b>
<b>2.22 Finance costs</b>		
Interest on loan from holding company	4,32,68,362	1,70,42,537
Interest on loan from fellow subsidiaries	1,89,53,267	96,09,761
Interest on margin	-	26,568
Interest - others	1,71,94,154	5,88,023
Financial and bank charges	65	337
	<b>7,94,15,848</b>	<b>2,72,67,226</b>





# EC Commodity Limited

Notes to the financial statements (Continued)  
for the year ended 31 March 2015

(Currency: Indian Rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>2.23 Other expenses</b>		
Advertisement and business promotion	15,777	1,22,000
Auditors' remuneration (refer note 2.26)	1,95,000	1,50,000
Commission and brokerage	83,980	8,000
Communication	5,28,922	1,58,165
Computer expenses	2,99,861	5,211
Computer software	-	(79,854)
Clearing and custodian charges	10,000	-
Dematerialisation charges	19,600	72,950
Electricity charges (refer note 2.35)	2,14,710	54,367
Insurance	43,533	6,478
Legal and professional fees	4,67,839	5,84,438
Membership and subscription	99,583	4,07,502
Office expenses	2,700	(31,684)
Printing and stationery	7,134	967
Rates and taxes	11,504	277
Rent (refer note 2.35)	19,41,392	5,50,163
Repairs and maintenance - others	7,447	5,507
ROC expenses	7,212	500
Security transaction tax	9,17,417	-
Service tax expenses	(2,33,404)	3,51,282
Stock exchange expenses	(2,85,450)	(48,062)
Travelling and conveyance	1,47,043	57,323
Warehousing charges	12,11,484	1,69,903
Miscellaneous expenses	10,887	(1,42,410)
	<b>57,24,171</b>	<b>24,03,023</b>



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(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 and dividend income
Agency business	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:

S. No	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
I	<b>Segment revenue</b>		
	a) Capital based business	941,536,457	308,444,729
	b) Agency business	44,554,754	44,717,296
	c) Unallocated	-	-
	Total	986,091,211	353,162,025
	Less : Inter segment revenue	-	-
	<b>Total income</b>	<b>986,091,211</b>	<b>353,162,025</b>
II	<b>Segment results</b>		
	a) Capital based business	(37,138,455)	(22,230,302)
	b) Agency business	40,049,349	39,910,873
	c) Unallocated	-	-
	Total	2,910,894	17,680,571
	<b>Profit before taxation</b>	<b>2,910,894</b>	<b>17,680,571</b>
	Less : Provision for taxation	213,408	93,211,141
	<b>Profit/(loss) after taxation</b>	<b>2,697,486</b>	<b>(75,530,570)</b>



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.24 Segment reporting (Continued)

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Segment assets</b>		
a) Capital based business	359,257,435	513,605,545
b) Agency business	610,676,617	555,009,699
c) Unallocated	3,692,173	436,898
<b>Total</b>	<b>973,626,225</b>	<b>1,069,052,142</b>
<b>Segment liabilities</b>		
a) Capital based business	254,343,357	640,987,268
b) Agency business	698,015,567	400,816,760
c) Unallocated	2,144,577	10,822,876
<b>Total</b>	<b>954,503,501</b>	<b>1,052,626,904</b>
<b>Capital expenditure ( including capital work in progress)</b>		
a) Capital based business	301,356	115,218
b) Agency business	14,260	16,704
c) Unallocated	-	-
<b>Total</b>	<b>315,616</b>	<b>131,922</b>
<b>Depreciation and amortisation</b>		
a) Capital based business	163,851	66,035
b) Agency business	7,753	9,574
c) Unallocated	-	-
<b>Total</b>	<b>171,604</b>	<b>75,609</b>
<b>Significant non cash expenses Other than depreciation and amortisation</b>		
a) Capital based business	1,182,660	(511,626)
b) Agency business	55,965	(74,174)
c) Unallocated	-	-
<b>Total</b>	<b>1,238,625</b>	<b>(585,800)</b>



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(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:**

S. No	Particulars
<b>A.</b>	<b>Names of related parties by whom control is exercised</b>
	Edelweiss Financial Services Limited, Holding company
<b>B.</b>	<b>Fellow Subsidiaries with whom the Company has transactions</b>
	Edelcap Securities Limited
	Edelweiss Securities Limited
	Edelweiss Web Services Limited
	ECap Equities Limited
	ECL Finance Limited
	Edelweiss Commodities Services Limited
	Edel Commodities Trading Limited
	Edel Commodities Limited
	EFSL Comtrade Limited
	Edelweiss Integrated Commodity Management Limited



# EC Commodity Limited

## Notes to the financial statements (Continued)

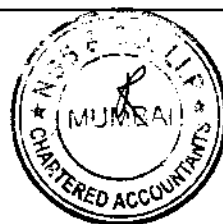
for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.25 Related parties (Continued)

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

Nature of transaction	Related party name	2014-15	2013-14
<b>Current account transactions</b>			
Short term loans taken from (Refer note 1 below)	Edelweiss Financial Services Limited	60,36,00,000	55,20,00,000
	Edelweiss Commodities Services Limited	72,13,33,095	40,00,00,000
	Edel Commodities Trading limited	-	5,32,00,000
Short term loans repaid to (Refer note 1 below)	Edelweiss Financial Services Limited	2,83,59,000	58,92,66,264
	Edelweiss Commodities Services Limited	87,13,33,095	25,00,00,000
	Edel Commodities Trading limited	-	5,32,00,000
Short term loans given to (Refer note 1 below)	Edelweiss Commodities Services Limited	49,64,05,208	67,55,23,243
Short term loans repaid by (Refer note 1 below)	Edelweiss Commodities Services Limited	26,58,32,667	65,29,77,014
Margin placed with (Refer note 1 below)	Edelweiss Securities Limited	19,72,11,683	72,52,64,293
	Edelweiss Commodities Services Limited	64,57,33,542	43,87,35,776
Margin withdrawn from (Refer note 1 below)	Edelweiss Securities Limited	25,93,62,171	66,75,59,564
	Edelweiss Commodities Services Limited	58,98,13,853	34,79,96,699
Interest expense on loans from	Edelweiss Financial Services Limited	4,32,68,368	1,70,42,537
	Edelweiss Commodities Services Limited	1,89,53,267	96,09,761
Financial charges to	Edelweiss Commodities Services Limited	1,57,77,072	-
Interest expense on margin placed by	ECap Equities Limited	-	26,568
Interest income on margin placed with	Edelweiss Securities Limited	13,73,402	2,54,47,850
	Edelweiss Commodities Services Limited	3,00,91,325	-
Interest income on loans from	Edelweiss Commodities Services Limited	4,26,95,766	3,56,34,691
	ECap Equities Limited	-	1,97,506
	Edel Commodities Trading Limited	-	20,35,025
Financial charges from	Edel Commodities Limited	96,17,991	-
Reimbursements paid to	Edelweiss Financial Services Limited	1,61,11,338	57,85,693
	Edelweiss Commodities Services Limited	2,500	6,07,030
Cost reimbursement to	Edelweiss Financial Services Limited	75,028	-
	Edelweiss Commodities Services Limited	21,56,102	-
	Edelweiss Web Services Limited	1,41,37,491	22,30,250
Professional fees paid to	Edelweiss Securities Limited	500	-
	Edelweiss Web Services Limited	-	3,050
Warehouse expenses to	Edelweiss Securities Limited	4,13,339	-
	Edelweiss Integrated Commodity Management Limited	1,20,270	-
Processing fees paid to	Edelweiss Securities Limited	10,650	-
Purchase of commodities from	Edelweiss Commodities Services Limited	68,42,56,744	-



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.25 Related parties (Continued)

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

Nature of transaction	Related party name	2014-15	2013-14
Sale of commodities to	Edel commodities Limited	63,62,07,036	-
	Edelweiss Commodities Services Limited	21,05,25,229	-
	EFSL Comtrade Limited	-	28,50,20,609
Clearing expenses to	Edelweiss Securities Limited	10,000	-
Depository charges to	Edelweiss Securities Limited	19,600	-
<b>Balance with related parties as on 31 March 2015</b>			
Short term loans taken from	Edelweiss Commodities Services Limited	-	14,75,70,065
	Edelweiss Financial Services Limited	57,52,41,000	-
Trade payable to	ECL Finance Limited	-	62,000
	Edelweiss Financial Services Limited	1,26,107	-
	Edelweiss Commodities Services Limited	24,19,142	-
	Edelweiss Integrated Commodity Management Limited	1,08,243	-
Other payable to	Edelweiss Securities Limited	51,53,770	77,019
	ECap Equities Limited	-	87,75,946
Nomination deposit payable to	Edelweiss Financial Services Limited	1,00,000	-
Accrued interest expense on loans taken from	Edelweiss Financial Services Limited	18,50,011	31,304
	Edelweiss Commodities Services Limited	23,211	4,90,016
	Edel Commodities Trading Limited	23	-
	ECap Equities Limited	283	-
Trade receivables from	EFSL Comtrade Limited	-	28,50,20,609
	Edelweiss Securities Limited	8,45,391	-
	ECap Equities Limited	-	87,75,946
	Edelweiss Financial Services Limited	913	-
	Edelweiss Web Services Limited	37,631	3,122
Short term loans and advances receivable	Edelweiss Commodities Services Limited	25,33,02,770	2,25,46,229
Accrued interest income on loans given	Edelweiss Commodities Services Limited	17,00,211	11,23,553
	Edelcap Securities Limited	283	283
	Edel Commodities Trading Limited	-	1,417
Accrued interest income on margin placed	Edelweiss Securities Limited	1,21,847	-
	Edelweiss Commodities Services Limited	14,81,019	6,27,588
Margin receivable from	Edelweiss Securities Limited	75,73,571	-
	Edelweiss Commodities Services Limited	59,71,41,581	54,12,21,892
Payable to demerged business held in trust for	Edelweiss Securities Limited	-	56,42,29,801

#### Note 1:

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.



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.26 Auditors' remuneration:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
As auditor	195,000	150,000
<b>Total</b>	<b>195,000</b>	<b>150,000</b>

### 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 2015	For the year ended 31 March 2014
<b>Profit / (loss) after tax</b> (as per statement of profit and loss) (a)	<b>2,697,486</b>	<b>(75,530,570)</b>
Calculation of weighted average number of equity Shares of Rs. 10 each (b)		
Number of shares outstanding at the beginning of the year	957,500	957,500
Number of Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	957,500	957,500
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	957,500	957,500
Basic and diluted earnings per share (in rupees) (a)/(b)	2.82	(78.88)

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)

for the year ended 31 March 2015

(Currency: Indian rupees)

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

#### A. Commodities

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Opening stock</b>		
Agri	182,104,010	-
	182,104,010	-
<b>Purchase</b>		
Agri	684,256,744	481,836,806
	684,256,744	481,836,806
<b>Sale</b>		
Agri	846,732,265	299,967,046
	846,732,265	299,967,046
<b>Closing stock (refer note 2.12)</b>		
Agri	-	182,104,010
	-	182,104,010
<b>(Loss)/profit on sale of commodities</b>	<b>(19,628,489)</b>	234,250

#### B. Securities (equities shares):

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Opening stock</b>	-	-
	-	-
<b>Purchase</b>	67,96,44,916	-
	67,96,44,916	-
<b>Sales</b>	66,02,30,233	-
	66,02,30,233	-
<b>Closing stock</b>	5,12,82,630	-
	5,12,82,630	-
<b>Profit on sale of securities</b>	318,67,947	-





# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

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

#### A) Defined contribution plan (Provident fund)

An amount of Rs. 74,881 (Previous year: Rs. Nil) 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 2015	For the year ended 31 March 2014
Current service cost	190,825	149,000
Interest on defined benefit obligation	89,000	56,000
Expected return on plan assets	-	-
Net actuarial losses recognized in the year	151,000	84,000
<b>Total included in 'Employee benefit expenses'</b>	<b>430,825</b>	<b>2,89,000</b>

#### Balance Sheet:

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

Particulars	As at 31 March 2015	As at 31 March 2014
Liability at the beginning of the year	970,175	771,175
Interest cost	89,000	56,000
Current service cost	190,825	149,000
Benefit paid	-	(28,000)
Transfer in/(out)	28,000	(62,000)
Actuarial (gain)/loss on obligations:	151,000	84,000
- Difference due to change in assumptions	-	-
- Experience adjustment of plan asset [ (gain)/ loss]	-	-
<b>Liability at the end of the year</b>	<b>1,429,000</b>	<b>970,175</b>



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

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

Changes in the fair value of the plan assets are as follows:

Particulars	As at 31 March 2015	As at 31 March 2014
Fair value of the plan asset at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions	-	28,000
Benefit paid	-	(28,000)
<b>Fair value of the plan asset at the end of the year</b>	<b>-</b>	<b>-</b>

Amount recognised in the Balance sheet:

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Liability at the end of the year	1,429,000	970,000	771,174
Fair value of plan assets at the end of the year	-	-	-
<b>Amount in Balance sheet – liability</b>	<b>1,429,000</b>	<b>970,000</b>	<b>771,174</b>

Experience Adjustment:

Particulars	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013	As at 31 March 2012	As at 31 March 2011
On plan liabilities: (gain)/loss	18,000	129,000	445,613	-	-
On plan assets: (gain)/loss	-	-	-	-	-
<b>Estimated contribution for the next year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Principal actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Discount rate	7.8%	8.9%
Salary escalation	7%	6%
Employee attrition rate	13% - 25%	13% - 25%



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

### 2.30 Capital commitment

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

### 2.31 Contingent liability

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

### 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 2015 – Nil

Open interest in currency futures as at 31 March 2014:

Long position

Sr. No	Name of currency future	No. of contracts	Number of units involved
1	USD INR	19,726	19,726,000

Short position

Sr. No	Name of currency future	No. of contracts	Number of units involved
1	USD INR	69	69,000

### 2.34 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.



# EC Commodity Limited

## Notes to the financial statements (Continued)

for the year ended 31 March 2015

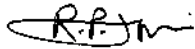
(Currency: Indian rupees)

### 2.35 Cost sharing:

Edelweiss Securities Limited (ESL) and Edelweiss Commodities Services Limited (ECSL), fellow subsidiaries, incur expenditure like common senior management compensation cost, rent expenditure, electricity expenses etc., which is for the benefit of the company. These costs so expended are reimbursed by the company on the basis of number of employees, area occupied, time spent by employees of ESL and ECSL for the company, actual identifications etc. Accordingly, and as identified appropriately, the expenditure heads in note 2.23 are inclusive of the reimbursements.

As per out report of even date attached

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

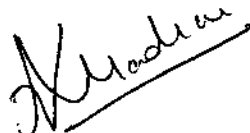


**R. P. Soui**  
Partner  
Membership No.: 104796



Mumbai  
14 May 2015

**For and on behalf of the Board of Directors**



**Vishal Madia**  
Director  
DIN 06865560

Mumbai  
14 May 2015



**Nikhil Johari**  
Director  
DIN 01960539