

EC Global Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2017

Independent Auditors' Report

To the Directors of
EC Global Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **EC Global Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the 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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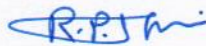
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 2017, and its profit 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: 12 May 2017



EC Global Limited

Balance Sheet

(Currency: Indian rupees)

EQUITY AND LIABILITIES

Shareholders' funds

Share capital

Reserves and surplus

Current liabilities

Short-term borrowings

Trade payables

Other current liabilities

Short-term provisions

TOTAL

ASSETS

Non-current assets

Non-current investments

Current assets

Current investments

Cash and cash equivalents

Short-term loans and advances

Other current assets

TOTAL

Note	As at 31 March 2017	As at 31 March 2016
2.1	1,104,840	1,104,840
2.2	2,400,355,401	1,788,747,838
	<u>2,401,460,241</u>	<u>1,789,852,678</u>
2.3	1,899,876,902	4,354,993,391
	69,800,639	45,257,327
2.4	59,560,640	455,621,689
2.5	1,442,918	3,930,580
	<u>2,030,681,099</u>	<u>4,859,802,987</u>
	<u>4,432,141,340</u>	<u>6,649,655,665</u>
2.6	945,012,625	1,347,071,699
	<u>945,012,625</u>	<u>1,347,071,699</u>
2.7	221,183,592	648,882,026
2.8	39,698,820	6,769,951
2.9	2,209,993,057	3,385,135,406
2.10	1,016,253,246	1,261,796,583
	<u>3,487,128,715</u>	<u>5,302,583,966</u>
	<u>4,432,141,340</u>	<u>6,649,655,665</u>

Significant accounting policies and notes to the financial statements

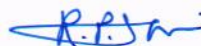
1 & 2

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



R. P. Soni

Partner

Membership No.: 104796



Mumbai

12 May 2017

For and on behalf of the Board of Directors



Udit Sureka
Director



Vishal Goradia
Director

12 May 2017

EC Global Limited

Statement of Profit and Loss

(Currency: Indian rupees)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Income from treasury operations	2.11	548,610,735	37,044,697
Interest income	2.12	219,624,735	488,159,897
Other operating revenue	2.13	(509,282)	923,555
Total revenue		767,726,188	526,128,149
Expenses			
Employee benefit expenses	2.14	390,410	400,419
Finance costs	2.15	96,139,266	195,047,234
Other expenses	2.16	55,257,601	13,914,431
Total expenses		151,787,277	209,362,084
Profit before tax		615,938,911	316,766,065
Tax expense			
Current tax (includes short tax provision of earlier years Rs.46,360; previous year Rs. Nil)		4,331,348	10,190,549
Profit for the year		611,607,563	306,575,516
Earnings per equity share:			
Basic and diluted (face value USD 1 each)	2.20	24,464.30	12,263.02
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 Registration No.: 119850W


R. P. Soni
Partner
Membership No.: 104796



Mumbai
12 May 2017

For and on behalf of the Board of Directors


Udit Sureka
Director


Vishal Goradia
Director

12 May 2017

EC Global Limited

Cash Flow Statement

(Currency: Indian rupees)

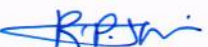
	For the year ended 31 March 2017	For the year ended 31 March 2016
A Cash flow from operating activities		
Profit before taxation	615,938,911	316,766,065
Adjustments for:		
Loss on sale of current investments	10,257,991	225,943,598
Loss on sale of long term investments	12,202,608	-
Interest income	(213,519,770)	(488,159,897)
Interest expense	61,047,683	157,635,478
Operating cash flow before working capital changes	485,927,423	212,185,244
Add / (less): Adjustments for working capital changes		
Decrease in stock-in-trade	-	5,957,400
Decrease in other assets	243,937,784	401,869,354
Increase in short-term loans and advances	(210,726)	-
(Decrease)/ increase in other current liabilities	(396,762,489)	144,880,562
Increase / (decrease) in trade payables	24,543,312	(187,062,193)
Cash generated from operations	357,435,304	577,830,367
Income taxes paid	(6,825,405)	(14,032,996)
Net cash generated from operating activities - A	350,609,899	563,797,371
B Cash flow from investing activities		
Proceeds from sale / redemption / distributions received from long term investment	389,856,466	7,382,786
Purchase of current investments	(892,787,260)	(904,066,368)
Sale of current investments	1,310,227,702	6,372,243,165
Repayment received from loan given / (loan paid) (net) (refer note below)	1,175,353,075	(1,315,799,825)
Interest received	215,131,718	558,306,543
Net cash generated from investing activities - B	2,197,781,701	4,718,066,301
C Cash flow from financing activities		
Repayment of short term borrowings (net) (refer note below)	(2,455,116,489)	(5,200,760,355)
Interest paid	(60,346,243)	(162,127,201)
Net cash used in financing activities - C	(2,515,462,732)	(5,362,887,556)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	32,928,868	(81,023,884)
Cash and cash equivalents as at the beginning of the year	6,769,951	87,793,804
Cash and cash equivalents as at the end of the year (refer note 2.8)	39,698,820	6,769,951

Notes:

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 Registration No.: 119850W


R. P. Soni
Partner
Membership No.: 104796

Mumbai
12 May 2017



For and on behalf of the Board of Directors


Udit Sureka
Director


Vishal Goradia
Director

12 May 2017

EC Global Limited

Notes to the financial statements for the year ended 31 March 2017

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

1.2 Use of estimates

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

1.3 Current/non-current classification

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

Assets

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realized within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

1. Significant accounting policies (continued)

1.4 Revenue recognition

- Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity, commodity, currency and interest rate swap derivative instruments.
 - i) Profit/ loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - ii) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Interest income is recognised on accrual basis.
- Fee 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 investments sold.

1.5 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset 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.

1.6 Stock-in-trade

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade under current assets are valued at lower of weighted average cost or market value.

1.7 Investments

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

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

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investment.



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

1. Significant accounting policies (continued)

1.8 Taxation

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

Current Tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the tax laws applicable.

Deferred taxation

The deferred tax charge or credit 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 reasonable/virtually certain (as the case may be) to be realised.

1.9 Earnings per share

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

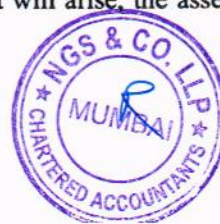
Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the ordinary shareholders for the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

1.10 Provisions and contingent liabilities

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 Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.1 Share capital		
(a) Issued, subscribed and paid up:		
25,000 (Previous year: 25,000) ordinary shares of USD 1 each, fully paid up (The entire share capital is held by Edelweiss Finance and Investments Limited, the holding company)	1,104,840	1,104,840
	<u>1,104,840</u>	<u>1,104,840</u>

(b) Movement in share capital

(i) Ordinary shares

	31 March 2017		31 March 2016	
	No of shares	Amount	No of shares	Amount
Outstanding as at the beginning of the year	25,000	1,104,840	25,000	1,104,840
Shares issued during the year	-	-	-	-
Outstanding as at the end of the year	<u>25,000</u>	<u>1,104,840</u>	<u>25,000</u>	<u>1,104,840</u>

(c) Details and terms/rights attached to ordinary shares:

The entire ordinary share capital is held by Edelweiss Finance and Investments Limited, the holding company, which is in turn a wholly owned subsidiary of Edelweiss Financial Services Limited.

The aggregate number of bonus shares issued by the Company in financial year 2011-12 was 15,000 ordinary shares, by capitalising its reserves.

The Company has only one class of ordinary shares. Each holder of ordinary shares is entitled to one vote per share held. Dividend declared by the Company, if any will be paid in United States Dollars.

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.

2.2 Reserves and surplus

Foreign exchange translation reserve	180,693,844	180,693,844
Surplus in statement of profit and loss		
Opening balance	1,608,053,994	1,301,478,478
Add: Profit for the year	<u>611,607,563</u>	<u>306,575,516</u>
Closing balance	<u>2,219,661,557</u>	<u>1,608,053,994</u>
	<u>2,400,355,401</u>	<u>1,788,747,838</u>



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.3 Short-term borrowings

Secured loans

- from banks

(Variable interest rate loan calculated at cost of funding to the lender plus 0.70% p.a.)

680,028,437

870,850,452

- from others

[Fixed rate loan with interest rates ranging from 1.5% p.a. to 2.15 % p.a. (previous year: ranging from 0.75% p.a. to 1.3 % p.a)]

247,573,037

635,614,631

Unsecured Loans

Loans from related parties, repayable on demand

(Fixed rate loan at 7.5% p.a.)

972,275,428

2,848,528,308

1,899,876,902

4,354,993,391

2.4 Other current liabilities

Interest accrued but not due on borrowings

4,496,015

3,794,575

Premium received on exchange traded options

55,064,625

439,334,200

Payable to broker

-

12,492,914

59,560,640

455,621,689

2.5 Short-term provisions

Provision for taxation (Net of advance tax)

1,442,918

3,930,580

1,442,918

3,930,580



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.6 Non-current investments - at cost	No. of units	As at 31 Mar 2017 Par Value (*)	Amount	No. of units	As at 31 March 2016 Par Value (*)	Amount
(a) Others (quoted)						
Bonds/ Debentures (**)						
3.25% Axis Bank Limited 21.05.2020 (#)	8,000	100	51,772,325	8,000	100	52,965,494
3.75% Industrial Development Bank of India 25.01.19 (#)	20,000	100	130,247,780	20,000	100	133,249,529
4.125% Syndicate Bank Limited 12.04.18 (#)	20,000	100	133,815,199	20,000	100	136,899,166
4.375% Industrial Development Bank Of India Limited, 26.03.2018 (#)	20,000	100	133,710,161	20,000	100	136,791,707
4.625% Indian Overseas Bank, 21.02.18 (#)	30,000	100	201,673,982	30,000	100	206,321,852
4.625% Union Bank Of India, 22.08.17 (#)	20,000	100	135,473,771	20,000	100	138,595,961
4.75% Syndicate Bank Limited, 06.11.2016	-	-	-	10,000	100	68,674,451
5% Indian Overseas Bank, 19.10.2016	-	-	-	45,000	100	308,288,786
5.00% Industrial Development Bank of India, 25.09.2019 (#)	20,000	100	135,720,158	20,000	100	138,848,027
(b) Others (unquoted)						
Investments in shares of venture fund						
Blue River Capital LLC (#)	115.4	10,000	22,599,249	115	10,000	23,120,081
Investments in preference shares						
Edelweiss India Capital Management (formerly known as Forefront India Capital Management) (#)	-	-	-	50,000	1	3,316,645
(Non-cumulative, non-convertible preference shares with no voting rights and having preferential rights to dividend of 1% of capital contributed per annum, subject to approval of the board. These shares are redeemed at par value on 31 March 2017)						
			<u>945,012,625</u>			<u>1,347,071,699</u>
Aggregate of quoted investment						
- At carrying value			922,413,376			1,320,634,973
- At market value			908,861,460			1,307,577,341
Aggregate of unquoted investment						
- At book value			22,599,249			26,436,726

(*) in USD

(**) Refer Note 2.21

(#) Change in amount of investments is due to foreign currency translation.



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

			As at 31 March 2017			As at 31 March 2016		
	Quantity	Par Value (*)	Amount			Quantity	Par Value (*)	Amount
2.7 Current investments - at lower of cost and fair value								
Others (quoted)								
Bonds/ Debentures (**)								
5% Indian Overseas Bank HK 5 19 10 2016	-	-	-	96,500	100	648,882,026		
4.625% Tata Motors Ltd 30.04.2020 Bonds	10,000	100	67,126,106	-	-	-		
4.5% Union Bank Of India/Hong Kong 28.10.2019 Bonds	23,000	100	154,057,486	-	-	-		
			<u>221,183,592</u>			<u>648,882,026</u>		
Aggregate of quoted investment								
- At book value			221,183,592			648,882,026		
- At market value			221,183,592			648,882,026		

(*) in USD

(**) Refer Note 2.21



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2017	As at 31 March 2016
2.8 Cash and cash equivalents		
Balances with banks		
- in current accounts	39,698,820	6,769,951
	<u>39,698,820</u>	<u>6,769,951</u>
2.9 Short-term loans and advances		
(Unsecured, considered good)		
Loans and advances to related parties	2,209,782,331	3,385,135,406
Other loans and advances		
- Prepaid expenses	210,726	-
	<u>2,209,993,057</u>	<u>3,385,135,406</u>
2.10 Other current assets		
Advance tax (net of provision for taxation)	6,395	-
Accrued interest on loans given	21,008,408	4,322,306
Accrued interest on debt instruments	9,822,070	28,120,120
Margin money with brokers	957,084,561	1,174,409,287
Option premium paid	28,331,812	54,944,870
	<u>1,016,253,246</u>	<u>1,261,796,583</u>



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.11 Income from treasury operations		
Profit on trading of securities (net)	-	9,690,713
(Loss) / profit on trading in equity derivative instruments (net)	(5,981,831)	7,304,625
Profit from arbitrage and trading in currency derivatives (net)	905,964,196	1,301,242,283
Loss from arbitrage and trading in commodity derivatives (net)	(277,455,958)	(1,324,279,421)
Profit on trading in interest rate derivative (net)	24,409,010	147,410,617
Loss on trading in swap (net)	(3,944,635)	(1,683,815)
Loss on sale of long term investments	(12,202,608)	-
Loss on sale and mark to market of current investment (net)	(10,257,991)	(225,943,598)
Dividend on stock-in-trade	-	98,163
(Loss) / gain on foreign exchange movement on trade (net)	(71,919,448)	123,205,130
	<u>548,610,735</u>	<u>37,044,697</u>
2.12 Interest income		
On debt instrument	75,030,401	334,263,746
On others	883,880	170,073
On loan	138,489,369	153,726,078
On fixed deposits	5,221,085	-
	<u>219,624,735</u>	<u>488,159,897</u>
2.13 Other operating income		
Foreign exchange (loss)/gain (net)	(509,282)	923,555
	<u>(509,282)</u>	<u>923,555</u>



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2017	For the year ended 31 March 2016
2.14 Employee benefit expenses		
Directors fees	390,410	400,419
	<u>390,410</u>	<u>400,419</u>
2.15 Finance costs		
Interest on bank overdraft	7,664,855	-
Interest on loan from fellow subsidiary	44,168,539	124,320,931
Interest - others	16,564,326	32,933,101
Financial and bank charges	27,741,546	37,793,202
	<u>96,139,266</u>	<u>195,047,234</u>
2.16 Other expenses		
Auditors' remuneration (refer note below)	1,678,670	1,661,161
Accounting charges	335,369	292,799
Commission and brokerage	9,494,359	2,229,357
Computer expenses	(89,145)	1,746,353
Computer software expenses	50,000	-
Legal and professional fees	42,705,934	6,451,136
License fees	210,725	215,495
Miscellaneous expenses	771,060	1,287,915
Rates and taxes	70,501	-
Registration charges	30,128	30,215
	<u>55,257,601</u>	<u>13,914,431</u>
Note:		
Auditors' remuneration:		
As auditors	1,568,757	1,644,507
For reimbursement of expenses	109,913	16,654
	<u>1,678,670</u>	<u>1,661,161</u>



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.17 Segment reporting

The Company has operated only in one business segment during the year viz. business of trading and investments. 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 Segmental Reporting.

2.18 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

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

Edelweiss Finance & Investments Limited	Holding company
Edelweiss Financial Services Limited	Ultimate holding company

(B) Names of fellow subsidiaries with whom transactions have taken place during the year

EC International Limited
Aster Commodities DMCC
Edel Commodities Limited
Edelweiss International (Singapore) Pte Limited
Edelweiss India Capital Management (Formerly known as Forefront India Capital Management)
Edelweiss Commodities Pte. Limited
Edelcap Securities Limited
EAAA LLC
EW Special Opportunities Advisors LLC
EW India Special Assets Advisors LLC



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

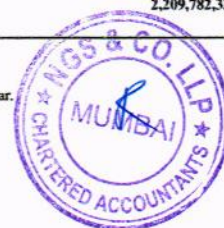
2.18 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure” as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (continued)

(C) Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2017	For the year ended 31 March 2016
(I) Capital account transactions during the year				
	Investment in preference shares of	Edelweiss India Capital Management	13,319,540	-
	Amount received on redemption of preference shares of	Edelweiss India Capital Management	16,209,650	-
(II) Current account transactions during the year				
	Short term loans taken from (Refer note below)	EC International Limited	3,095,818,482	64,073,509
		Aster Commodities DMCC	23,880,543	670,216,210
		Edelweiss International (Singapore) Pte Limited	346,170,517	392,766,401
		Edelweiss Commodities Pte. Limited	-	39,276,640
	Short term loans repaid to (Refer note below)	EC International Limited	3,095,818,482	64,073,509
		Aster Commodities DMCC	2,245,064,570	326,451,745
		Edelweiss International (Singapore) Pte Limited	-	392,766,401
		Edelweiss Commodities Pte. Limited	-	39,276,640
	Short term loans given to (Refer note below)	EC International Limited	-	1,084,369,833
		Aster Commodities DMCC	3,773,876,445	76,628,246
		Edelweiss International (Singapore) Pte Limited	1,308,062,919	92,058,971
	Repayment of short term loans by (Refer note below)	EC International Limited	1,042,877,144	-
		Aster Commodities DMCC	3,773,876,445	76,628,246
		Edelweiss International (Singapore) Pte Limited	1,402,412,121	-
	Interest paid on loans taken from	EC International Limited	18,645,697	9,176
		Aster Commodities DMCC	25,454,553	121,945,931
		Edelweiss International (Singapore) Pte Limited	68,289	2,365,824
	Interest received on loans given to	EC International Limited	61,876,087	152,455,064
		Aster Commodities DMCC	27,000,996	127,293
		Edelweiss International (Singapore) Pte Limited	49,612,286	1,143,721
	Financial charges paid to	Edelweiss Financial Services Limited	27,426,728	37,411,756
	Reimbursement paid to	Edelcap Securities Limited	50,000	-
	Professional fees paid to	Edel Commodities Limited	2,711,550	2,896,094
		Aster Commodities DMCC	25,770,911	-
		EAAA LLC	5,835,474	-
		EW Special Opportunities Advisors LLC	2,593,544	-
		EW India Special Assets Advisors LLC	1,945,158	-
		Edelcap Securities Limited	50,000	-
	Net loss incurred on settlement of forward contracts entered with	Aster Commodities DMCC	277,455,752	1,327,544,056
(III) Balances with related parties				
	Short term borrowings from	Aster Commodities DMCC	637,708,389	2,848,528,307
		Edelweiss International (Singapore) Pte Limited	334,567,039	-
	Trade payables to	Aster Commodities DMCC	25,770,911	-
		Edel Commodities Limited	2,711,550	2,896,094
		Edelweiss Financial Services Limited	27,426,728	39,799,740
		EAAA LLC	5,835,474	-
		EW Special Opportunities Advisors LLC	2,593,544	-
		EW India Special Assets Advisors LLC	1,945,158	-
		Edelcap Securities Limited	50,000	-
	Interest accrued but not due on borrowings from	Aster Commodities DMCC	4,427,726	3,794,575
		Edelweiss International (Singapore) Pte Limited	68,289	-
	Accrued interest on loans given to	EC International Limited	21,008,408	3,497,005
		Edelweiss International (Singapore) Pte. Limited	-	825,300
	Short-term loans and advances given to	Edelweiss International (Singapore) Pte. Limited	-	93,290,220
		EC International Limited	2,209,782,331	3,291,845,186

Note:

Loan given to /taken from related parties are disclosed based on the maximum incremental amount given/ taken during the reporting year.



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

(I) Contracts outstanding as at 31 March 2017

a) Options

Particulars of contract	Premium paid
Currency options	28,331,812
Total	28,331,812

Particulars of contract	Premium received
Currency options	55,064,625
Total	55,064,625

b) Currency forwards

Particulars of contract	Number of contracts	No. of units involved
<i>Long positions</i>		
<i>Currency forward</i>		
USDRUB	480,000	480,000
EURUSD	2,815,000	2,815,000
USDINR	195,500,000	195,500,000
USDZAR	350,000	350,000
USDTWD	3,500,000	3,500,000
USDKRW	2,100,000	2,100,000
USDSGD	5,494,220	5,494,220
USDCAD	441	441
USDCNH	2,918,550	2,918,550
GBPUSD	167,000	167,000
Total	213,325,211	213,325,211



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

(I) Contracts outstanding as at 31 March 2017 (continued)

b) Currency forwards (continued)

Particulars of contract	Number of contracts	No. of units involved
<i>Short positions</i>		
<i>Currency forward</i>		
USDIDR	1,700,000	1,700,000
EURUSD	6,125,000	6,125,000
USDKRW	1,250,000	1,250,000
USDTRY	250,000	250,000
USDBRL	250,000	250,000
CNYUSD	181,426	181,426
USDINR	30,350,000	30,350,000
USDCNY	240,000	240,000
USDTHB	112,000	112,000
USDJPY	1,032,014	1,032,014
USDMYR	270,000	270,000
USDCHF	38,059	38,059
USDCAD	54,119	54,119
AUDUSD	209,000	209,000
Total	42,061,618	42,061,618

c) Credit default swaps

Underlying	Notional principal (Rs.)
iTraxx Asia Ex-Japan S 27	194,515,800
Total	194,515,800



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

(I) Contracts outstanding as at 31 March 2017 (continued)

d) Futures

Particulars of contract	Expiry Date	No. of contracts	No. of units
<i>Interest rate futures</i>			
<i>Long positions</i>			
ZQ	28 Apr 2017	130	541,710
ZQ	01 May 2017	20	83,340
ZN	21 Jun 2017	2	2,000
Total			627,050

Particulars of contract	Expiry Date	No. of contracts	No. of units
<i>Interest rate futures</i>			
<i>Short positions</i>			
ZQ	31 May 2017	130	541,710
ZQ	01 Jun 2017	20	83,340
ESTX50	16 Jun 2017	10	100
ZT	30 Jun 2017	4	8000
Total			633,150

e) Interest rate swaps

Benchmark	Notional principal (Rs.)	Terms
LIBOR	111,144,800	Receive fixed
MIBOR	3,500,000,000	Receive fixed
LIBOR	896,988,632	Pay fixed
MIBOR	4,500,000,000	Pay fixed
Total	9,008,133,432	



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

(II) Contracts outstanding as at 31 March 2016

a) Options

Particulars of contract	Premium paid
<i>Currency options</i>	54,944,870
Total	54,944,870

Particulars of contract	Premium received
<i>Currency options</i>	439,334,200
Total	439,334,200

b) Currency forwards

Particulars of contract	Number of contracts	No. of units involved
<i>Long positions</i>		
<i>Currency forward</i>		
USD INR	539,000,000	539,000,000
USD KRW	125,000,000	125,000,000
INR JPY	1,350,000,000	1,350,000,000
EUR INR	25,000,000	25,000,000
AUD USD	400,000	400,000
USD CNY	25,000,000	25,000,000
EUR USD	2,125,000	2,125,000
GBP USD	1,650,000	1,650,000
USD MYR	2,000,000	2,000,000
Total	2,070,175,000	2,070,175,000



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

(II) Contracts outstanding as at 31 March 2016 (continued)

b) Currency forwards (continued)

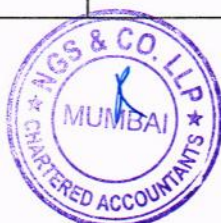
Particulars of contract	Number of contracts	No. of units involved
<i>Short positions</i>		
<i>Currency forward</i>		
USD INR	320,000,000	320,000,000
EUR INR	25,000,000	25,000,000
INR JPY	1,350,000,000	1,350,000,000
USD JPY	670,232	670,232
USD MYR	2,000,000	2,000,000
AUD USD	400,000	400,000
USD CNY	25,000,000	25,000,000
EUR USD	2,000,000	2,000,000
GBP USD	3,218,854	3,218,854
USD KRW	99,000,000	99,000,000
USD CNH	200,000	200,000
Total	1,827,489,086	1,827,489,086

c) Credit default swaps

Underlying	Notional principal (Rs.)
iTraxx Asia Ex-Japan S 25	1,326,658,000
Total	1,326,658,000

d) Futures

Particulars of contract	Expiry Date	No. of contracts	No. of units
<i>Interest rate futures</i>			
<i>Long positions</i>			
ZQ JUN16	01 July 2016	2	8,334
<i>Short positions</i>			
ZQ JUL16	01 Aug 2016	2	8,334



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

(II) Contracts outstanding as at 31 March 2016 (continued)

e) Interest rate swaps

Benchmark	Notional principal (Rs.)	Terms
LIBOR	3,445,330,826	Pay fixed
SOR	49,242,900	Receive fixed
SOR	49,242,900	Pay fixed
MIBOR	9,800,000,000	Pay fixed
LIBOR	1,077,909,625	Pay fixed v/s Receive floating
LIBOR	3,259,598,706	Receive fixed
MIBOR	5,500,000,000	Receive fixed
LIBOR	39,799,740	Receive fixed v/s Pay floating
MIBOR	500,000,000	Pay fixed v/s Receive floating
Total	23,721,124,697	

2.20 Earnings per share

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

	For the year ended 31 March 2017	For the year ended 31 March 2016
a) Net amount attributable to ordinary shareholders (as per statement of profit and loss)	611,607,563	306,575,516
b) Calculation of weighted average number of ordinary shares of USD 1 each:		
– Number of shares at the beginning of the year	25,000	25,000
– shares issued during the year	-	-
Total number of ordinary shares outstanding at the end of the year	25,000	25,000
Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	25,000	25,000
c) Basic and diluted earnings per share (in rupees) (a/b)	24,464.30	12,263.02

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



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.21 The Company has pledged its investments in debt instruments against loans taken from banks and financial institution amounting to Rs. 927,601,474 as at 31 March 2017 (Previous year: Rs. 1,506,465,083).

2.22 Capital commitments

Investment in units of venture fund consist of investments in Class A ordinary shares of Blue River Capital I, LLC ('BRC' or 'the fund') pursuant to a capital contribution agreement dated 1 December 2006. BRC is a closed-ended fund, with limited life of 8 years under the Mauritius Companies Act.

The Fund has closed its investment period. The original term of the fund was to end on 31 October 2013. However, in accordance with the fund documents and with the consent of majority of the Class A share holders, the tenure of the fund has been extended to upto 31 October 2017.

2.23 The liability of the parent company, Edelweiss Finance & Investments Limited, in the Company shall be limited to its equity or fund based commitment.

2.24 Contingent liabilities

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

2.25 Previous year comparatives

Previous year figures have been regrouped and rearranged whenever necessary.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W


R. P. Soni

Partner

Membership No.: 104796



For and on behalf of the Board of Directors


Udit Sureka

Director



Vishal Goradia

Director

Mumbai

12 May 2017

12 May 2017