

INDEPENDENT AUDITOR'S REPORT

To the Directors of EC Global Limited

Opinion

We have audited the accompanying special purpose financial statements (accompanying financial statements) of EC Global Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year than ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Special Purpose Financial Statements"). This Special Purpose Financial Statement is prepared for the purpose of preparation of consolidated financial statements for the year ended March 31, 2019 for Edelweiss Financial Services Limited Reporting (Ultimate Holding Company) under Ind-AS.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements give the information required by the Companies Act, 2013, as amended ("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 March 31, 2019, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date and the basis of accounting described in Note 2 to the accompanying Special Purpose Financial Statements.

Basis for Opinion

We conducted our audit of Special Purpose Financial Statements of the Company in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements of the Company

The Company's management is responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the basis of accounting described in Note 2 to the accompanying Special Purpose Financial Statements. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Company 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Financial Statements of the Company, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management of the Company and those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for Special Purpose Financial Statements of the Company

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements of the Company.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matters - restriction of use

The comparative Ind AS financial statements of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017, included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) and have been audited by us and have expressed an unmodified opinion on those statements vide report dated April 24, 2018 and May 12, 2017 for the year ended March 31, 2018 and March 31, 2017 respectively, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

This report is issued at the request of the Company and is intended solely for the information and use of the EC Global Limited for its reporting of Consolidated audited financial results for the year ended March 31, 2019 to Edelweiss Financial Services Limited ('Ultimate Parent Company'), and is not intended to be and should not be used for any other purpose or by anyone other than the specified parties without our prior written consent.

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



R.P. Soni
Partner

Membership Number: 104796



Place: Mumbai
Date: May 08, 2019

EC Global Limited

Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Financial assets				
Cash and cash equivalents	7	70,531,782	31,866,300	39,698,820
Derivative financial instruments	8	-	-	28,331,812
Loans	10	2,494,887,357	2,413,065,648	2,230,790,739
Investments	11	13,970,043	2,956,674,034	1,154,169,827
Other financial assets	12	393,050,192	625,048,473	902,019,937
		<u>2,972,439,374</u>	<u>6,026,654,455</u>	<u>4,355,011,135</u>
Non-financial assets				
Current tax assets (net)		4,510,244	6,416	6,396
Property, Plant and Equipment	13	81,605	174,066	-
Other Intangible assets	14	37,608	52,281	-
Other non- financial assets	15	108,737	61,792	210,725
		<u>4,738,194</u>	<u>294,555</u>	<u>217,121</u>
TOTAL ASSETS		<u>2,977,177,568</u>	<u>6,026,949,010</u>	<u>4,355,228,256</u>
LIABILITIES AND EQUITY				
Liabilities				
Trade payables		66,201,032	22,048,109	69,800,638
Borrowings (other than debt securities)	16	238,294,022	3,318,602,824	1,904,372,917
Other financial liabilities	17	906,169	313,865	-
		<u>305,401,223</u>	<u>3,340,964,798</u>	<u>1,974,173,555</u>
Non-financial liabilities				
Current tax liabilities (net)		5,552,008	1,205,984	1,442,919
Provisions	18	14,259	27,981	-
Other non-financial liabilities	19	79,962	81,702	-
		<u>5,646,229</u>	<u>1,315,667</u>	<u>1,442,919</u>
Equity				
Equity share capital	20	160,850,745	160,850,745	1,104,840
Other equity		<u>2,505,279,371</u>	<u>2,523,817,800</u>	<u>2,378,506,942</u>
		<u>2,666,130,116</u>	<u>2,684,668,545</u>	<u>2,379,611,782</u>
TOTAL LIABILITIES AND EQUITY		<u>2,977,177,568</u>	<u>6,026,949,010</u>	<u>4,355,228,256</u>

Significant accounting policies and notes to the financial statements 1 to 37

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

8 May 2019



For and on behalf of the Board of Directors



Kaneyalall Hawabhay
Director



Vinod Kumar Soni
Director

8 May 2019

EC Global Limited

Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Interest income	21	244,259,112	277,319,393
Fee and commission income	22	-	161,118,519
Net gain on fair value changes	23	(313,506,980)	(123,808,108)
Other income		(2,952,171)	633,269
Total income		<u>(72,200,039)</u>	<u>315,263,073</u>
Expenses			
Finance costs	24	33,133,489	108,369,943
Employee benefits expense	25	3,873,432	1,911,526
Depreciation and amortisation expense	13 & 14	125,205	55,231
Other expenses	26	115,996,174	40,717,625
Total expenses		<u>153,128,300</u>	<u>151,054,325</u>
Profit/ (loss) before tax		(225,328,339)	164,208,748
Tax expenses			
Current tax	27	5,236,793	9,617,937
Profit/(loss) for the year		<u>(230,565,132)</u>	<u>154,590,811</u>
Other Comprehensive Income			
Items that will be reclassified to profit or loss			
Fair value gain / loss - OCI - debt		39,853,438	(19,594,042)
Foreign Exchange Translation Reserve - OCI		172,173,265	10,314,087
Income Tax - OCI - that will be reclassified		-	-
Other Comprehensive Income		<u>212,026,703</u>	<u>(9,279,955)</u>
Total Comprehensive Income		<u>(18,538,429)</u>	<u>145,310,856</u>
Earnings per equity share:			
Basic and diluted (face value of USD 1 each)	28	(92.23)	63.74
Significant accounting policies and notes to the financial statements	1 to 37		

As per our report of even date attached.

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

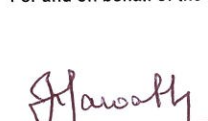



R. P. Soni
Partner
Membership No.: 104796

Mumbai
8 May 2019



For and on behalf of the Board of Directors


Kaneyalall Hawabhay
Director


Vinod Kumar Soni
Director

8 May 2019

EC Global Limited

Statement of changes in Equity
For the year ended 31 March 2019
(Currency: Indian rupees)

Particulars	Equity Share Capital	Other Equity			Total
		Reserves and Surplus	Other Comprehensive Income		
			Retained earnings	Debt instruments through Other Comprehensive Income	
Balance at 1 April 2017 (Indian GAAP)	1,104,840	2,219,661,557	-	180,693,844	2,401,460,241
Ind AS adjustments	-	190,149,333	(31,303,946)	(180,693,844)	(21,848,457)
Profit for the year	-	154,590,811	-	-	154,590,811
Other comprehensive income	-	-	(19,594,042)	10,314,087	(9,279,955)
Total Comprehensive Income for the year	-	154,590,811	(19,594,042)	10,314,087	145,310,856
Issue of equity share	159,745,905	-	-	-	159,745,905
Balance at 31 March 2018	160,850,745	2,564,401,701	(50,897,988)	10,314,087	2,684,668,545
Loss for the year	-	(230,565,132)			(230,565,132)
Other comprehensive income	-		39,853,438	172,173,265	212,026,703
Total Comprehensive Income for the year	-	(230,565,132)	39,853,438	172,173,265	(18,538,429)
Balance at 31 March 2019	160,850,745	2,333,836,569	(11,044,550)	182,487,352	2,666,130,116

Notes :

1. Foreign exchange translation reserve

The functional currency of the Company is United States Dollars. These financial statements are prepared and presented in INR which is the functional currency of the Ultimate Parent Entity, for the purposes of consolidation. Foreign Exchange Translation reserve represents the exchange difference arising on financial statements from functional currency to the presentation currency.

2. Debt instruments through Other Comprehensive Income

The Company recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the statement of profit and loss.

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
8 May 2019



For and on behalf of the Board of Directors


Kaneyalal Hawabhay
Director


Vinod Kumar Soni
Director

8 May 2019

EC Global Limited

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities		
(Loss) / profit before taxation	(225,328,339)	164,208,748
Adjustments for:		
Depreciation and amortisation expenses	125,205	55,231
Provision for compensated absences	(15,659)	27,725
Net loss on FVOCI debt instrument	226,048,909	42,093,532
Interest income in respect of investing activity on investment	(63,441,188)	(95,896,264)
Interest income on loans given	(173,195,750)	(178,762,665)
Interest expense on borrowings (other than debt securities)	-	55,075,766
Operating cash flow before working capital changes	(235,806,822)	(13,197,927)
Add / (less): Adjustments for working capital changes		
Decrease in financial assets	231,998,281	276,971,464
Decrease in derivative financial instruments	-	28,331,812
(Increase) / Decrease in other non-financial assets	(46,945)	148,933
Increase / (Decrease) in trade payables	44,152,923	(47,752,529)
Decrease in other financial liabilities	592,304	313,865
Decrease in other non-financial liabilities	197	81,958
Cash generated from operations	40,889,938	244,897,576
Income taxes paid	(5,394,597)	(9,854,890)
Net cash generated from operating activities - A	35,495,341	235,042,686
B Cash flow from investing activities		
Purchase of FVOCI debt instrument	(7,718,384,177)	(10,726,702,833)
Proceeds from sale of FVOCI debt instrument	10,418,476,789	8,888,845,494
Purchase of fixed assets (including intangible asset)	-	(226,347)
(Loans given) / repayments received (net) (Refer note below)	19,172,029	(72,112,466)
Interest received on loans given	72,202,012	68,600,222
Interest received on investment measured at FVOCI debt instrument	80,003,658	89,155,864
Net cash generated from / (used in) investing activities - B	2,871,470,311	(1,752,440,066)
C Cash flow from financing activities		
(Repayment of) / proceeds from short term borrowings (net) (refer note below)	(3,062,430,239)	1,400,847,359
Proceeds from issue of ordinary shares	-	159,745,905
Interest and other financing cost paid	(17,878,563)	(41,693,218)
Net cash generated from / (used in) financing activities - C	(3,080,308,802)	1,518,900,046
D Foreign exchange translation reserve - D	212,008,632	(9,335,186)
Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	38,665,482	(7,832,520)
Cash and cash equivalents as at the beginning of the year	31,866,300	39,698,820
Cash and cash equivalents as at the end of the year	70,531,782	31,866,300

Note:

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

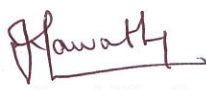


R. P. Soni
Partner
Membership No.: 104796

Mumbai
8 May 2019



For and on behalf of the Board of Directors



Kaneyalall Hawabhay
Director



Vinod Kumar Soni
Director

8 May 2019

EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

1. Background

EC Global Limited ('the Company') was incorporated as a private limited company in Republic Mauritius on 29 December 2004. The address of the Company's registered office is c/o CITCO (Mauritius) Limited 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius. The Company is a holder of a Category 1 Global Business License and Investment advisory License.

The Company is a wholly owned subsidiary of EC International Limited, a Company incorporated in Republic Mauritius. The Company is involved in providing consulting and trading in securities and derivatives in global markets.

2. Basis of preparation of financial statements and Functional Currency

These financial statements are Special Purpose Financial Statements drawn under Indian Accounting Standards (Ind-AS) for the purpose of Consolidation with Edelweiss Financial Services Limited (Ultimate Holding Company) for its reporting of Consolidated audited financial results under Ind-AS Division III of Schedule III of the Companies Act, 2013 ("the Act").

The financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The Company being a foreign company prepared its financial statements in USD which is its Functional currency. However for consolidation purpose, the company presents these financial statements in INR, which is the functional currency of the ultimate holding company.

The assets and liabilities are translated into INR at the spot rate of exchange prevailing at the reporting date and their statement of profit and loss is translated at average exchange rate prevailing during the year. The exchange differences arising on translation are recognised in OCI and accumulated as a separate component of other equity.

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31st March 2019 are the first financial statements of the Company prepared under Ind AS. Refer to Note 37 for information on how the Company adopted Ind AS.

3. Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 25.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

3. Presentation of financial statements (continued)

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without it being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default..

4. Significant accounting policies

4.1 Recognition of Interest and Dividend income

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Dividend income is recognised in profit or loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

4.2 Financial Instruments

4.2.1 Date of recognition

Financial assets and financial liabilities, with the exception of borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. The Company recognises borrowings when funds are available for utilisation to the Company.

4.2.2 Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.2 Financial Instruments

4.2.1 Day 1 profit or loss

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

4.3 Classification of financial instruments

4.3.1 Financial assets:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income [FVOCI]
- Fair value through profit or loss [FVTPL]

The Company measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.3 Classification of financial instruments (continued)

4.3.1 Financial assets: (continued)

4.3.1.1 Amortized cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

4.3.1.2 Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Financial assets designated at FVTPL.

4.3.1.3 Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.3.2 Financial liabilities

All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

4.3.2.1 Debt securities and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

4.3.2.2 Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a Company of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- The liabilities containing one or more derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the derivative(s) is prohibited.
- Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.3.3 Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

4.3.4 Derivatives

The Company enters into a variety of derivative financial instruments including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately

4.4 Reclassification of financial assets and financial liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

4.5 Derecognition of financial assets and financial liabilities

4.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.5 Derecognition of financial assets and financial liabilities (continued)

4.5.2 Derecognition of financial assets (other than due to substantial modification)

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.5 Derecognition of financial assets and financial liabilities (continued)

4.5.3 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

4.6 Impairment of financial assets

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitment, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure expected credit losses.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.6 Impairment of financial assets (continued)

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD) for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Company cannot separately identify the ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined ECL exceeds the gross carrying amount of the financial asset, the ECL have been recognised as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognised as a provision.

4.7 Write off

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

4.8 Determination of fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.8 Determination of fair value (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.9 Revenue from contract with customer

Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contract and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained.

The Company recognises Fee income including advisory fees, is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.

4.10 Operating leases

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognized based on contractual terms. Contingent rental payable is recognized as an expense in the period in which it is incurred

4.11 Earnings per share

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 for 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 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.

4.12 Foreign currency transactions

Transactions in foreign currencies other than functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.13 Retirement and other employee benefit

The accounting policy followed by the company in respect of its employee benefit schemes in accordance with Mauritius IFRS, which is also in accordance with Ind AS is set out below:

Compensated Absences

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

4.14 Property, plant and equipment

Tangible fixed assets

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

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

The Company has evaluated the useful lives of the respective fixed assets for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Class of asset	Life of asset
Office equipments	2 years
Computer	2 years

4.15 Intangible fixed assets

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

Intangibles such as software is amortised over a period of 3 years or its estimated useful life whichever is shorter.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.16 Impairment of non-financial 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 cash generating unit which the asset belongs to 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.

4.17 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

4.18 Provisions and other contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

4.19 Income tax expenses

Income tax expense represents the sum of the tax currently payable and deferred tax.

4.20.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.20.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are also recognised with respect to carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4.20.2 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5.1. Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

5.1.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Companies of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5.1.2 Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.



EC Global Limited

Notes to the financial statements

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(Currency: Indian rupees)

5. Critical accounting judgements and key sources of estimation uncertainty *(continued)*

5.2. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

5.2.1. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

5.2.2. Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Probabilities of defaults (PDs) the calculation of which includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss model basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure at defaults and loss given defaults (LGDs)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

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5. Critical accounting judgements and key sources of estimation uncertainty *(continued)*

5.2. Key sources of estimation uncertainty *(continued)*

5.2.3. Effective interest rate method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

5.2.4. Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has recognised deferred tax assets on carried forward tax losses with respect to certain subsidiaries where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Company expects that there will be sufficient taxable profits to offset these losses.

6. Standards issued but not yet effective

6.1 Ind AS 116 Leases:

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The application of this standard is not likely to have a material impact on the Financial Statements.

6.2 Prepayment Features with Negative Compensation (Amendments to Ind AS 109)

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after 1 April, 2019.



EC Global Limited

Notes to the financial statements

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(Currency: Indian rupees)

6. Standards issued but not yet effective (continued)

6.3 Annual Improvements to Ind AS (2018)

6.3.1 Ind AS 12 Income taxes

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

6.4 Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19)

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after 1 April 2019.

6.5 Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12)

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a Company; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Appendix is effective for annual periods beginning on or after 1 April 2019. Entities can apply the Appendix with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively.

The application of these amendments is not likely to have a material impact on the Financial Statements.



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Notes to the financial statements

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	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
7 Cash and cash equivalents			
Balances with banks			
- in current accounts	70,531,782	31,866,300	39,698,820
	<u>70,531,782</u>	<u>31,866,300</u>	<u>39,698,820</u>



EC Global Limited

Notes to the financial statements
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8. Derivative financial instrument

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Particulars	31 March 2019					
	Fair value of asset		Notional		Fair value of liability	
	Unit	Amount	Unit	Amount	Unit	Amount
(i) Currency derivatives						
-Currency Futures	No. of currency units	375,000				
Less: amounts offset (refer Note 9 - offsetting disclosure)						
Sub total (i)		-				
(ii) Interest rate derivatives						
-Forward Rate Agreements and Interest Rate Swaps	No. of units	166,308,020				
-Futures						
Less: amounts offset (refer Note 9 - offsetting disclosure)						
Sub total (ii)		-				
Total Derivative Financial Instruments (i+ii)		-				

Particulars	31 March 2018					
	Fair value of asset		Notional		Fair value of liability	
	Unit	Amount	Unit	Amount	Unit	Amount
(i) Currency derivatives						
-Spot and forwards	No. of currency units	26,817,947				
Less: amounts offset (refer Note 9 - offsetting disclosure)						
Sub total (i)		-				
(ii) Interest rate derivatives						
-Forward Rate Agreements and Interest Rate Swaps	No. of units	100,909,549				
-Futures	No. of currency units	5				
Less: amounts offset (refer Note 9 - offsetting disclosure)						
Sub total (ii)		-				
(iii) Credit derivatives						
Less: amounts offset (refer Note 9 - offsetting disclosure)						
Sub total (iii)		-				
Total Derivative Financial Instruments (i+ii+iii)		-				



EC Global Limited

Notes to the financial statements
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8. Derivative financial instrument (Continued)

Particulars	1 April 2017 (i.e 31 March 2017)					
	Notional		Fair value of asset		Fair value of liability	
	Unit	Amount	Unit	Amount	Unit	Amount
(i) Currency derivatives						
-Spot and forwards	No. of currency units	10,120,000	No. of currency units	1,527,533	No. of currency units	284,460,962
-Options purchased	No. of currency units	13		28,331,812		
-Options sold (written)						
-Others						
Less: amounts offset (refer Note 9 - offsetting disclosure)				1,527,533		16
Sub total (i)				28,331,812		284,460,978
(ii) Interest rate derivatives						
-Forward Rate Agreements and Interest Rate Swaps						
-Futures						
Less: amounts offset (refer Note 9 - offsetting disclosure)						
Sub total (ii)						
(iii) Credit derivatives						
Less: amounts offset (refer Note 9 - offsetting disclosure)						
Sub total (iii)						
Total Derivative Financial Instruments (i+ii+iii)				28,331,812		-



EC Global Limited

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9. Offsetting: Financial assets subject to offsetting

At 31 March 2019

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential		
Derivative financial assets	75,834,367	75,834,367	-	-	-	-	-

Financial liabilities subject to offsetting

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential		
Derivative financial assets	103,018,599	103,018,599	-	-	-	-	-

* As at the 31 March 2019, the amount of cash margin received that has been offset against the gross derivative assets is Rs. 75,834,367/-. Also, at the reporting date, the amount of cash margin paid that has been offset against the gross derivative liabilities is Rs. 103,018,599/-.

At 31 March 2018

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential		
Derivative financial assets	40,445,136	40,445,136	-	-	-	-	-

Financial liabilities subject to offsetting

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential		
Derivative financial liabilities	8,041,792	8,041,792	-	-	-	-	-

* As at the 31 March 2018, the amount of cash margin received that has been offset against the gross derivative assets is Rs. 40,445,136. Also, at the reporting date, the amount of cash margin paid that has been offset against the gross derivative liabilities is Rs. 80,041,792.



EC Global Limited

Notes to the financial statements
For the year ended 31 March 2019
(Currency: Indian rupees)

9. Offsetting: (Continued) At 31 March 2017

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Collaterals received	Assets after consideration of netting potential	
Derivative financial assets	29,859,345	1,527,533	28,331,812	-	-	28,331,812	28,331,812

Financial liabilities subject to offsetting

Particulars	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Collaterals paid	Liabilities after consideration of netting potential	
Derivative financial liabilities	481,826,659	481,826,659	-	-	-	-	-

* As at the 01 April 2017, the amount of cash margin received that has been offset against the gross derivative assets is Rs.17,990,572. Also, at the reporting date, the amount of cash margin paid that has been offset against the gross derivative liabilities is Rs.443,225,063.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

10. Loans

Particulars	31 March 2019	31 March 2018	1 April 2017
(Unsecured, considered good)			
At amortised cost			
Loan to EC International Limited, holding company, outside India	2,494,887,357	2,413,065,648	2,230,790,739
Total	2,494,887,357	2,413,065,648	2,230,790,739

Loan to EC International Limited is unsecured and repayable on demand. It bears an interest rate of 7.5% p.a. compounded monthly (2018: 7.5% p.a. compounded monthly)

The book value of loans to related parties approximates their fair values due to the short term nature of these balances



EC Global Limited

Notes to the financial statements
For the year ended 31 March 2019
(Currency: Indian rupees)

11. Investments

Measured at Fair Value through OCI

(a) Unquoted, outside India

In units of Funds

- Blue River Capital LLC

As at
31 March 2019

As at
31 March 2018

As at
31 March 2017

13,970,043

14,394,650

14,302,682

(b) Quoted, outside India

Debt Securities

-

2,942,279,384

1,139,867,145

13,970,043

2,956,674,034

1,154,169,827

Less: Allowance for impairment

Net Investments

-

-

-

13,970,043

2,956,674,034

1,154,169,827



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
12 Other financial assets			
(Unsecured, considered good)			
Rental deposits	47,024	44,218	-
Margin placed with broker	393,003,168	625,004,255	902,019,937
	<u>393,050,192</u>	<u>625,048,473</u>	<u>902,019,937</u>



EC Global Limited

Notes to the financial statements
For the year ended 31 March 2019
(Currency: Indian rupees)

13 Property, Plant and Equipment

Description of Assets	Gross Block			Depreciation			Net Block As at 31 March 2019
	As at 1 April 2018	Additions during the year	Disposals during the year	Other adjustments (*)	As at 31 March 2019	As at 31 March 2019	
Office Equipment	81,701	-	-	6,008	87,709	48,793	38,916
Computer & Laptop	145,051	-	-	9,960	155,011	112,322	42,689
Total	226,752	-	-	15,968	242,720	161,115	81,605

Description of Assets	Gross Block			Depreciation			Net Block As at 31 March 2018
	As at 1 April 2017	Additions during the year	Disposals during the year	Other adjustments (*)	As at 31 March 2018	As at 31 March 2018	
Office Equipment	-	81,701	-	-	81,701	15,871	65,830
Computer & Laptop	-	145,051	-	-	145,051	36,815	108,236
Total	-	226,752	-	-	226,752	52,686	174,066

(*) Other adjustment represent movement in foreign exchange difference arising due to conversion from functional currency to presentation currency.

14 Other Intangible Assets

Description of Assets	Gross Block			Depreciation			Net Block As at 31 March 2019
	As at 1 April 2018	Additions during the year	Disposals during the year	Other adjustments (*)	As at 31 March 2019	As at 31 March 2019	
Software	55,338	-	-	4,354	59,692	22,084	37,608
Total	55,338	-	-	4,354	59,692	22,084	37,608

Description of Assets	Gross Block			Depreciation			Net Block As at 31 March 2018
	As at 1 April 2017	Additions during the year	Disposals during the year	Other adjustments (*)	As at 31 March 2018	As at 31 March 2018	
Software	-	55,338	-	-	55,338	3,057	52,281
Total	-	55,338	-	-	55,338	3,057	52,281

(*) Other adjustment represent movement in foreign exchange difference arising due to conversion from functional currency to presentation currency.



EC Global Limited

Notes to the financial statements
For the year ended 31 March 2019
(Currency: Indian rupees)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
15 Other non-financial assets			
Prepaid expenses	108,737	61,792	210,725
	<u>108,737</u>	<u>61,792</u>	<u>210,725</u>



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

16. Borrowing other than debt securities (at amortised cost)

Particulars	31 March 2019	31 March 2018	1 April 2017
Loans, outside India			
(i) Loan from Group Companies	238,294,022	758,268,292	976,771,443
(ii) Loan from banks	-	223,279,076	680,028,437
(iii) Loan from other parties	-	2,337,055,456	247,573,037
Total	238,294,022	3,318,602,824	1,904,372,917

Loan taken from Group companies are unsecured and repayable on demand and comprises of the following

- Loan taken from Aster Commodities DMCC bears an interest rate as Nil for the year ended 31 March 2019 (2018: 7.50% p.a. compounded monthly).

- Loan taken from Edelweiss International (Singapore) Pte Limited bears an interest rate of at quarterly average borrowing rate, compounded monthly. The interest rate for the year ended 31 March 2018 is 5.24% p.a.

Loans taken from a bank and other parties, repayable on demand and secured against investments in bonds and debentures and comprise of the following

- The loan from bank is at variable interest rate loan, calculated at 0.70% to 0.85% plus cost of funding to the lender for the year ended 31 March 2018.

- Loan from other parties are at fixed rate, varying from 2% p.a. to 2.60% p.a. for the year ended 31 March 2018.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

	As at 31 March 2019	As at March 31, 2018	As at 1 April 2017
17 Other financial liabilities			
Others			
Accrued salaries and benefits	906,169	313,865	-
	906,169	313,865	-
18 Provisions			
Provision for employee benefits			
Compensated leave absences	14,259	27,981	-
	14,259	27,981	-
19 Other non-financial liabilities			
Others			
Withholding taxes, Goods and service tax and other taxes payable	79,962	81,702	-
	79,962	81,702	-



EC Global Limited

Notes to the financial statements
For the year ended 31 March 2019
(Currency: Indian rupees)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
20 Equity share capital			
(a) Issued, Subscribed and Paid up:			
2,500,000 (Previous year: 2,500,000) ordinary shares of USD 1 each, fully paid up	160,850,745	160,850,745	1,104,840
	<u>160,850,745</u>	<u>160,850,745</u>	<u>1,104,840</u>

(b) **Movement in share capital :**

(i) **Ordinary shares**

	31 March 2019		31 March 2018		1 April 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	2,500,000	160,850,745	25,000	1,104,840	25,000	1,104,840
Shares issued during the year	-	-	2,475,000	159,745,905	-	-
Outstanding at the end of the year	<u>2,500,000</u>	<u>160,850,745</u>	<u>2,500,000</u>	<u>160,850,745</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 EC International Limited, the holding company, which is in turn a wholly owned subsidiary of Edelweiss Financial Services Limited. 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.



EC Global Limited

Notes to the financial statements
For the year ended 31 March 2019
(Currency: Indian rupees)

21. Interest income

Particular	31 March 2019			31 March 2018		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total
Interest on Loans						
Loans to holding company	-	173,195,750	173,195,750	-	178,762,665	178,762,665
Interest income from investments						
Investment in debt securities	63,441,188	-	63,441,188	95,896,264	-	95,896,264
Others						
Other interest Income	-	7,622,174	7,622,174	-	2,660,464	2,660,464
Total	63,441,188	180,817,924	244,259,112	95,896,264	181,423,129	277,319,393



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

22. Fee and commission income

	31 March 2019	31 March 2018
Advisory and other fees	-	161,118,519
Total	-	161,118,519

Note :

Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

Particulars	31 March 2019	31 March 2018
Service transferred at a point in time	-	161,118,519
Service transferred over time	-	-
Total revenue from contract with customers	-	161,118,519



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

	For the year ended 31 March 2019	For the year ended March 31, 2018
23 Net gain on fair value changes		
Net gain/ (loss) on financial instruments at fair value through profit or loss		
(A) loss		
(i) On trading portfolio		
- Investments		
(Loss) / profit on trading of securities (net)	(35,602,439)	1,551,249
Loss on sale of current investments (net)	(226,048,909)	(42,093,532)
- Derivatives		
Loss profit on equity derivative instruments (net)	(4,895,347)	-
Loss on commodity derivative instruments (net)	(7,905,664)	(3,718,123)
Loss on trading in currency derivative instruments (net)	(11,383,948)	(102,506,434)
(Loss) / profit on interest rate derivative instruments (net)	(79,897,505)	26,342,212
Profit / (loss) on trading in swaps	50,588,323	(3,383,480)
- Others		
Dividend on stock in trade	1,638,509	-
Total Net gain/(loss) on fair value changes	(313,506,980)	(123,808,108)
Note:		
Fair Value Changes		
Realised	(286,322,748)	(156,211,452)
Unrealised	(27,184,232)	32,403,344
Total Net gain/(loss) on fair value changes	(313,506,980)	(123,808,108)



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

24. Finance cost

On Financial liabilities measured at Amortised Cost

Borrowings (Other than debt securities)

Finance and Bank Charges

Other interest expense

Total

For the year ended
31 March 2019

For the year ended
31 March 2018

-	55,075,766
688,159	404,206
32,445,330	52,889,971

33,133,489	108,369,943
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EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

	For the year ended 31 March 2019	For the year ended 31 March 2018
25 Employee benefit expenses		
Salaries wages and bonus	3,798,783	1,878,701
Contribution to provident and other funds	67,837	32,825
Staff welfare expenses	6,812	-
	<u>3,873,432</u>	<u>1,911,526</u>
26 Other expenses		
Accounting charges	530,596	434,655
Auditors' remuneration (refer note)	2,113,335	1,940,189
Commission and brokerage	37,316,086	8,583,288
Communication	54,896	55,087
Computer expenses	-	5,648
Computer software	-	11,160
Directors' sitting fees	419,333	386,684
Insurance	3,028	2,308
Legal and professional fees	63,176,789	21,318,960
License fees	233,918	209,454
Membership and subscription	4,184,374	19,270
Office expenses	6,044,100	6,502,618
Postage and courier	35,984	2,022
Printing and stationery	345	-
Rates and taxes	-	3,289
Rent	561,271	272,337
Travelling and conveyance	87,519	49,782
Other charges	1,234,600	920,874
	<u>115,996,174</u>	<u>40,717,625</u>
Note:		
Auditor's remuneration:		
As auditors	2,015,491	1,743,625
For reimbursement of expenses	97,844	196,564
	<u>2,113,335</u>	<u>1,940,189</u>



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

27 Income Tax

The components of income tax expense for the years ended are:

Particulars	2018-19	2017-18
Current tax	5,236,793	9,617,937
Adjustment in respect of current income tax of prior years	-	-
Deferred tax recognised / reversed	-	-
Total tax charge	5,236,793	9,617,937
Current tax	5,236,793	9,617,937
Deferred tax	-	-

27.1 Reconciliation of total tax charge

Particulars	2018-19	2017-18
Accounting profit before tax as per financial statements	(225,328,339)	164,208,748
Tax rate (in percentage)	15%	15%
Income tax expense calculated based on this tax rate	(33,799,251)	24,631,312
Effect of income not subject to tax:		
Long term capital gain on sale of shares	-	-
Others (includes Foreign tax allowance)	24,773,494	(20,045,335)
Effect of non-deductible expenses:		
Penalties	-	-
Others	14,262,550	5,031,960
Tax charge for the year recorded in P&L	5,236,793	9,617,937



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

28. Earning per share

The following table shows the income and share data used in the basic and diluted EPS calculations

Particulars		For the year ended 31 March 2019	For the year ended 31 March 2018
a)	Shareholders earnings (as per statement of profit and loss)		
	Net Profit available to equity shareholders for the purpose of calculating basic	(230,565,132)	154,590,811
b)	Calculation of weighted average number of equity shares of USD 1 each:		
	– Number of shares at the beginning of the year	2,500,000	25,000
	– Number of shares issued during the year	-	2,475,000
	Total number of equity shares outstanding at the end of the year	2,500,000	2,500,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	2,500,000	2,425,411
c)	Number of dilutive potential equity shares	-	-
d)	Basic earnings per share (in rupees) {a/b}	(92.23)	63.74
e)	Diluted earnings per share (in rupees) {a/(b+c)}	(92.23)	63.74

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

For the year ended 31 March 2019

(Currency: Indian rupees)

29 Segment Information

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	Income from treasury operations and income from investments and dividend income
Agency	Advisory 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.

Particulars	Year ended	
	March 31, 2019	March 31, 2018
1 Segment revenue [Total income]		
Agency	-	161,118,519
Capital Based	(72,200,039)	154,144,554
Unallocated	-	-
Total income	(72,200,039)	315,263,073
2 Segment results [Profit / (Loss) before tax]		
Agency	-	157,902,429
Capital Based	(225,328,339)	8,246,509
Unallocated	-	(1,940,189)
Profit / (Loss) before tax	(225,328,339)	164,208,748
3 Segment Assets		
Agency	-	27,057
Capital Based	2,972,667,324	6,026,915,538
Unallocated	4,510,244	6,416
Total assets	2,977,177,568	6,026,949,010
4 Segment Liabilities		
Agency	-	2,238,996
Capital Based	305,495,444	3,338,753,784
Unallocated	5,552,008	1,287,686
Total liabilities	311,047,452	3,342,280,465
5 Capital Expenditure		
(Including Capital Work-In-Progress and Intangible assets under development)		
Agency	-	28,209
Capital Based	-	253,881
Unallocated	-	-
Total capital employed	-	282,090
6 Depreciation and amortisation		
Agency	-	5,523
Capital Based	125,205	49,708
Unallocated	-	-
Total capital employed	125,205	55,231
7 Significant non-cash expenses other than depreciation and amortisation		
Agency	-	2,773
Capital Based	(15,659)	24,952
Unallocated	-	-
Total capital employed	(15,659)	27,725



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

30. Retirement benefit plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

Amount of Rs. 35,973/- (Previous year: Rs. 16,990) is recognised as expenses and included in "Employee benefit expense" – Note 25 in the statement of Profit and loss.



EC Global Limited

Notes to the financial statements
For the year ended 31 March 2019
(Currency: Indian rupees)

31. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products.

Particulars	31-Mar-19			31-Mar-18			01-Apr-17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets									
Cash and cash equivalents	70,531,782	-	70,531,782	31,866,300	-	31,866,300	39,698,820	-	39,698,820
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Loans	2,494,887,357	-	2,494,887,357	2,413,065,648	-	2,413,065,648	28,331,812	-	28,331,812
Investments	13,970,043	-	13,970,043	2,956,674,034	-	2,956,674,034	2,230,790,739	-	2,230,790,739
Other financial assets	393,050,192	-	393,050,192	625,048,473	-	625,048,473	1,154,169,827	-	1,154,169,827
Non-financial assets									
Current tax assets (net)	-	4,510,244	4,510,244	-	6,416	6,416	-	6,396	6,396
Property, plant and equipment	-	81,605	81,605	-	174,066	174,066	-	-	-
Intangible assets	-	37,608	37,608	-	52,281	52,281	-	-	-
Other non-financial assets	108,737	-	108,737	61,792	-	61,792	210,725	-	210,725
Total assets (A)	2,972,548,111	4,629,457	2,977,177,568	6,026,716,247	232,763	6,026,949,010	4,355,221,860	6,396	4,355,228,256

Particulars	31-Mar-19			31-Mar-18			01-Apr-17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities									
Trade payables	66,201,032	-	66,201,032	22,048,109	-	22,048,109	69,800,638	-	69,800,638
Borrowing (other than debt securities)	238,294,022	-	238,294,022	3,318,602,824	-	3,318,602,824	1,904,372,917	-	1,904,372,917
Other financial liabilities	906,169	-	906,169	313,865	-	313,865	-	-	-
Non-financial liabilities									
Current tax liabilities (net)	5,552,008	-	5,552,008	1,205,984	-	1,205,984	1,442,919	-	1,442,919
Provisions	11,288	2,971	14,259	5,953	22,028	27,981	-	-	-
Other non-financial liabilities	79,962	-	79,962	81,702	-	81,702	-	-	-
Total liabilities (B)	311,044,481	2,971	311,047,452	3,342,258,437	22,028	3,342,280,465	1,975,616,474	-	1,975,616,474
Net (A-B)	2,661,503,630	4,626,486	2,666,130,116	2,684,457,810	210,735	2,684,668,545	2,379,605,386	6,396	2,379,611,782



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

32. Change in liabilities arising from financing activities

Particulars	1-Apr-18	Cash flows	Changes in fair values	Exchange differences	Others*	31-Mar-19
Borrowings other than debt securities	3,318,602,824	(3,080,308,802)	-	-	-	238,294,022
Total liabilities from financing activities	3,318,602,824	(3,080,308,802)	-	-	-	238,294,022

Particulars	1-Apr-17	Cash flows	Changes in fair values	Exchange differences	Others*	31-Mar-18
Borrowings other than debt securities	1,904,372,917	1,359,154,141	-	-	55,075,766	3,318,602,824
Total liabilities from financing activities	1,904,372,917	1,359,154,141	-	-	55,075,766	3,318,602,824

* Includes interest on borrowings charged for the year



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

33. Contingent liabilities, commitments and leasing arrangements

33.1. Contingent liabilities

The Company has no contingent liabilities (2018: Nil) as at the balance sheet date.

33.2. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs. Nil (net of advances) (2018: Nil)

33.3. Legal Claim

There are no legal claims outstanding against the Company as at 31 March 2019 (2018: Nil). Also, the company has Rs. Nil (2018: Rs. Nil) contingent liabilities as at the balance sheet date.

33.4. Operating leases

The company has taken premises on operating lease. Gross rental expenses for the year ended 31 March 19 aggregated to Rs. 561,271/- (2018: Rs. 272,337/-) which has been included under the head other expenses – Rent – in note 26 of the statement of profit and loss.

There are no future minimum lease payments due on account of non-cancellable operating lease.

34. Related party disclosures

Disclosure as required by Ind AS 24– “Related Party Disclosure”:

(A) Enterprises which exercise significant influence

EC International Limited	Holding company (w.e.f. 12 April 2017)
Edelweiss Finance & Investments Limited	Holding company (till 11 April 2017)
Edelweiss Financial Services Limited	Ultimate holding company

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

Aster Commodities DMCC
Edelweiss International (Singapore) Pte Limited
Edelcap Securities Limited
Edelweiss Rural & Corporate Services Limited**

** Edel Commodities Limited was merged into EFSL Comtrade Limited vide Order of National Company Law Tribunal at Hyderabad. Further with effect from the Appointed Date i.e. 01 August 2018, EFSL Comtrade Limited and Edelweiss Business Services Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd). Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged are considered to be transacted with Edelweiss Rural & Corporate Services Limited and disclosed accordingly



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34. Related party disclosures (Continued)

C) Transactions and balances with Related Parties:

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2019	For the year ended 31 March 2018
(I)	Capital account transactions during the year			
	Issue of ordinary shares	EC International Limited	-	159,745,905
(II)	Current account transactions during the year			
	Short term loans taken from (Refer note below)	Aster Commodities DMCC	101,062,612	354,545,966
		Edelweiss International (Singapore) Pte Limited	-	332,537,277
	Short term loans repaid to (Refer note below)	Aster Commodities DMCC	674,986,849	254,809,206
		Edelweiss International (Singapore) Pte Limited	-	332,537,277
	Short term loans given to (Refer note below)	EC International Limited	18,106,400	346,241,243
		Edelweiss International (Singapore) Pte Limited	-	1,662,768
	Repayment of short term loans by (Refer note below)	EC International Limited	183,782,755	281,729,764
		Edelweiss International (Singapore) Pte Limited	-	1,662,743
	Interest paid on loans taken from	Aster Commodities DMCC	-	53,371,998
		Edelweiss International (Singapore) Pte Limited	-	1,703,768
	Interest received on loans given to	EC International Limited	173,195,750	178,753,148
		Edelweiss International (Singapore) Pte Limited	-	9,517
	Financial charges paid to	Edelweiss Financial Services Limited	-	10,024,923
	Reimbursement paid to	Edelcap Securities Limited	-	11,160
	Professional fees paid to	Aster Commodities DMCC	-	12,283,096
		Edelweiss International (Singapore) Pte Limited	29,730,404	2,033,573
		Edelweiss Rural & Corporate Services Limited	29,823,404	9,709,519
(III)	Balances with related parties			
	Short term borrowings from	Aster Commodities DMCC	238,294,022	740,389,729
	Trade payables to	Edelweiss Financial Services Limited	-	10,117,740
		Edelweiss International (Singapore) Pte Limited	29,425,839	2,052,402
		Edelweiss Rural & Corporate Services Limited	31,988,614	6,006,044
	Interest accrued but not due on borrowings from	Aster Commodities DMCC	-	17,878,561
	Accrued interest on loans given to	EC International Limited	232,164,589	131,170,851
	Short-term loans and advances given to	EC International Limited	2,262,722,768	2,281,894,797

Note:

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



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35. Capital management :

The Company's primary objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines "capital employed" to include all components of shareholders' equity and borrowings. The amount of capital employed at 31 March 2019 by the Company was Rs. 2,904,424,138 (2018: Rs. 6,003,271,369).

The Company's capital structure is regularly reviewed and managed having due regard to the capital management practices of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company, to the extent these do not conflict with the directors' fiduciary duties towards the Company or the requirements of local regulation. The results of the directors' review of the Company's capital structure are used as a basis for the determination of the level of dividends, if any, that are to be declared.

The Company was not subject to externally imposed capital requirements during the year ended 31 March 2018 (2017: Nil).



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36. Fair value measurement

36.1. Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

Particulars	31 March 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	463,448	-	-	463,448
OTC derivatives	-	75,370,919	-	75,370,919
Total derivative financial instruments (assets) (A)	463,448	75,370,919	-	75,834,367
Investments				
Investment in units of Fund	-	-	13,970,043	13,970,043
Total investments measured at fair value (B)	-	-	13,970,043	13,970,043
Total financial assets measured at fair value on a recurring basis (A+B)	463,448	75,370,919	13,970,043	89,804,410

Particulars	31 March 2019			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (Liabilities):				
Exchange-traded derivatives	(5,538,892)	-	-	(5,538,892)
OTC derivatives	-	(97,479,734)	-	(97,479,734)
Total derivative financial instruments (liabilities) (A)	(5,538,892)	(97,479,734)	-	(103,018,626)
Financial liabilities designated at fair value through profit or loss -	-	-	-	-
Total financial liabilities designated at FVTPL (B)	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis (A+B)	(5,538,892)	(97,479,734)	-	(103,018,626)

Particulars	31 March 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	69,922	-	-	69,922
OTC derivatives	-	40,375,214	-	40,375,214
Total derivative financial instruments (assets) (A)	69,922	40,375,214	-	40,445,136
Investments				
Debentures and bonds	2,942,279,384	-	-	2,942,279,384
Investment in units of Fund	-	-	14,394,650	14,394,650
Total investments measured at fair value (B)	2,942,279,384	-	14,394,650	2,956,674,034
Total financial assets measured at fair value on a recurring basis (A+B)	2,942,349,306	40,375,214	14,394,650	2,997,119,170

Particulars	31 March 2018			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (Liabilities):				
Exchange-traded derivatives	(914,975)	-	-	(914,975)
OTC derivatives	-	(7,126,817)	-	(7,126,817)
Total derivative financial instruments (liabilities) (A)	(914,975)	(7,126,817)	-	(8,041,792)
Financial liabilities designated at fair value through profit or loss -	-	-	-	-
Total financial liabilities designated at FVTPL (B)	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis (A+B)	(914,975)	(7,126,817)	-	(8,041,792)



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36. Fair value measurement (continued)

36.1. Assets and liabilities by fair value hierarchy (continued)

Particulars	1 April 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
OTC derivatives	-	29,859,342	-	29,859,342
Total derivative financial instruments (assets) (A)	-	29,859,342	-	29,859,342
Investments				
Debentures and bonds	1,139,867,145	-	-	1,139,867,145
Investment in units of Fund	-	-	14,302,682	14,302,682
Total investments measured at fair value (B)	1,139,867,145	-	14,302,682	1,154,169,827
Total financial assets measured at fair value on a recurring basis (A+B)	1,139,867,145	29,859,342	14,302,682	1,184,029,169

Particulars	1 April 2017			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (Liabilities):				
Exchange-traded derivatives	(769,375)	-	-	(769,375)
OTC derivatives	-	(481,057,284)	-	(481,057,284)
Total derivative financial instruments (liabilities) (A)	(769,375)	(481,057,284)	-	(481,826,659)
Financial liabilities designated at fair value through profit or loss -				
Total financial liabilities designated at FVTPL (B)	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis (A+B)	(769,375)	(481,057,284)	-	(481,826,659)

Financail Assets / Financial Liabilities	Fair Value hierarchy	Valuation technique and key inputs
Equity - futures & options	Level 1	Quoted prices in an active Market
Index - futures & options	Level 1	
Currency Futures & options	Level 1	
Interest rate futures	Level 1	
Government debt securities & treasury bills	Level 1	
Equity shares	Level 1	
Currency forward & spot	Level 2	Quotes price from broker
Interest rate swaps	Level 2	
Total return swaps	Level 2	
Credit default swaps	Level 2	



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36.2. Transfer between Level 1 and Level 2

There were no transfers between Level 1 and Level 2 in 2019 or 2018

36.3. Financial instruments not measured at fair value

No disclosure has been provided since the carrying value of the financial assets and liabilities not measured at fair value approximates their fair values due to the short term nature of these balances.

36.4. Movement in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level-3 financial assets and liabilities which are recorded at fair value.

Particulars	Financial assets	Total
	Investments in Units of Fund	
At 1 April 2018	14,394,650	14,394,650
Gains / (losses) for the period (2018-19) recognised in other comprehensive income	(424,607)	(424,607)
At 31 March 2019	13,970,043	13,970,043
Unrealised gains / (losses) related to balances held at the end of the period	(424,607)	(424,607)

Particulars	Financial assets	Total
	Investments in Units of Fund	
At 1 April 2017	14,302,682	14,302,682
Gains / (losses) for the period (2017-18) recognised in other comprehensive income	91,968	91,968
At 31 March 2018	14,394,650	14,394,650
Unrealised gains / (losses) related to balances held at the end of the period	91,968	91,968



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36.4.1. Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet.

Industry analysis - Risk concentration for 31 March 2019

Particulars	Financial services	Consumers	Oil, gas & energy	Services	Total
Financial assets					
Cash and cash equivalent and other bank balances	70,531,782	-	-	-	70,531,782
Investments	13,970,043	-	-	-	13,970,043
Other financial assets	393,050,192	-	-	-	393,050,192
Loans	2,494,887,357	-	-	-	2,494,887,357
	2,972,439,374	-	-	-	2,972,439,374
Other Commitments	-	-	-	-	-
Total	2,972,439,374	-	-	-	2,972,439,374

Industry analysis - Risk concentration for 31 March 2018

Particulars	Financial services	Consumers	Oil, gas & energy	Services	Total
Financial assets					-
Cash and cash equivalent and other bank balances	31,866,300	-	-	-	31,866,300
Investments	2,134,834,221	211,264,138	348,224,889	262,350,777	2,956,674,025
Other financial assets	625,048,473	-	-	-	625,048,473
Loans	2,413,065,648	-	-	-	2,413,065,648
	5,204,814,642	211,264,138	348,224,889	262,350,777	6,026,654,446
Other Commitments	-	-	-	-	-
Total	5,204,814,642	211,264,138	348,224,889	262,350,777	6,026,654,446

Industry analysis - Risk concentration for 01 April 2017 (i.e. 31-Mar-2017)

Particulars	Financial services	Consumers	Oil, gas & energy	Services	Total
Financial assets					-
Cash and cash equivalent and other bank balances	39,698,820	-	-	-	39,698,820
Derivative financial instruments	28,331,812	-	-	-	28,331,812
Investments	1,085,794,226	68,375,601	-	-	1,154,169,827
Other financial assets	902,019,937	-	-	-	902,019,937
Loans	2,230,790,739	-	-	-	2,230,790,739
	4,286,635,534	68,375,601	-	-	4,355,011,135
Other Commitments	-	-	-	-	-
Total	4,286,635,534	68,375,601	-	-	4,355,011,135



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36.4.2. Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the company financial assets and liabilities as at 31 March. Gross settled, non-trading derivatives are shown separately, by contractual maturity at the foot of the note

Analysis of non-derivative financial liabilities by remaining contractual maturities

As at 31 March 2019	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Trade payables	66,201,032	-	-	-	-	66,201,032
Borrowings (other than debt securities)	238,294,022	-	-	-	-	238,294,022
Other financial liabilities	906,169	-	-	-	-	906,169
Total undiscounted non-derivative financial liabilities	305,401,223	-	-	-	-	305,401,223

As at 31 March 2018	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Trade payables	22,048,109	-	-	-	-	22,048,109
Borrowings (other than debt securities)	3,318,602,824	-	-	-	-	3,318,602,824
Other financial liabilities	313,865	-	-	-	-	313,865
Total undiscounted non-derivative financial liabilities	3,340,964,798	-	-	-	-	3,340,964,798

As at 1 April 2017 (i.e. 31-Mar-2017)	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Trade payables	69,800,638	-	-	-	-	69,800,638
Borrowings (other than debt securities)	1,904,372,917	-	-	-	-	1,904,372,917
Total undiscounted non-derivative financial liabilities	1,974,173,555	-	-	-	-	1,974,173,555



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36.4.2. Analysis of financial assets and liabilities by remaining contractual maturities (continued)

Analysis of non-derivative financial assets by remaining contractual maturities

The table below summarises the maturity profile of the Company's non-derivative financial assets as at 31 March.

As at 31 March 2019	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Cash and cash equivalent and other bank balances	70,531,782	-	-	-	70,531,782
Loans	2,494,887,357	-	-	-	2,494,887,357
Investments at FVOCI	13,970,043	-	-	-	13,970,043
Other financial assets	420,187,401	-	47,024	-	420,234,425
Total	2,999,576,583	-	47,024	-	2,999,623,607

As at 31 March 2018	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Cash and cash equivalent and other bank balances	31,866,300	-	-	-	31,866,300
Loans	2,413,065,648	-	-	-	2,413,065,648
Investments at FVOCI	2,956,674,034	-	-	-	2,956,674,034
Other financial assets	592,600,911	-	44,218	-	592,645,129
Total	5,994,206,893	-	44,218	-	5,994,251,111

As at 1 April 2017	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	Total
Cash and cash equivalent and other bank balances	39,698,820	-	-	-	39,698,820
Loans and Advances	2,230,790,739	-	-	-	2,230,790,739
Investments at FVOCI	1,154,169,827	-	-	-	1,154,169,827
Other financial assets	1,382,319,063	-	-	-	1,382,319,063
Total	4,806,978,449	-	-	-	4,806,978,449



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36.4.2. Analysis of financial assets and liabilities by remaining contractual maturities (continued)

Maturity analysis for derivatives:

All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted

As at 31 March 2019	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Net settled derivatives entered into for trading purposes	(27,184,233)	-	-	-	-	(27,184,233)
Total	(27,184,233)	-	-	-	-	(27,184,233)

As at 31 March 2018	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Net settled derivatives entered into for trading purposes	32,403,344	-	-	-	-	32,403,344
Total	32,403,344	-	-	-	-	32,403,344

As at 1 April 2017 (i.e. 31-Mar-2017)	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Net settled derivatives entered into for trading purposes	(451,967,314)	-	-	-	-	(451,967,314)
Total	(451,967,314)	-	-	-	-	(451,967,314)



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36.5. Financial assets available to support future funding

Following table sets out availability of company financial assets to support funding

31 March 2019	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	70,531,782	70,531,782
Loans	-	-	-	2,494,887,357	2,494,887,357
Investments	-	-	13,970,043	-	13,970,043
Other financial assets	393,003,168	-	-	47,024	393,050,192
Property, Plant and Equipment	-	-	-	81,605	81,605
Total assets	393,003,168.0	-	13,970,043	2,565,547,768	2,972,520,979

31 March 2018	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	31,866,300	31,866,300
Loans	-	-	-	2,413,065,648	2,413,065,648
Investments	2,942,279,384	-	14,394,650	-	2,956,674,034
Other financial assets	625,004,255	-	-	44,218	625,048,473
Property, Plant and Equipment	-	-	-	174,066	174,066
Total assets	3,567,283,639	-	14,394,650	2,445,150,232	6,026,828,521



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36.5. Financial assets available to support future funding (Continued)

1 April 2017	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	39,698,820	39,698,820
Derivative financial instruments	-	-	28,331,812	-	28,331,812
Loans	-	-	-	2,230,790,739	2,230,790,739
Investments	1,139,867,145	-	14,302,682	-	1,154,169,827
Other financial assets	902,019,937	-	-	-	902,019,937
Total assets	2,041,887,082	-	42,634,494	2,270,489,559	4,355,011,135

1. Represents assets which are not pledged and company believes it is restricted from using to secure funding for legal or other reason

2. Represents assets which are not restricted for use as collateral, but that the company would not consider readily available to secure funding in the normal course of business



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36.6. Market Risk

Particulars	31 March 19			31 March 18			1 April 17		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets									
Cash and cash equivalent and other bank balances	70,531,782	-	70,531,782	31,866,300	-	31,866,300	39,698,820	-	39,698,820
Derivative financial instruments	-	-	-	-	-	-	28,331,812	-	-
Loans	2,494,887,357	-	2,494,887,357	2,413,065,648	-	2,413,065,648	2,230,790,739	-	2,230,790,739
Financial investments— FVOCI	13,970,043	13,970,043	-	2,956,674,034	2,956,674,034	-	1,154,169,827	1,154,169,827	-
Other financial assets	393,050,192	393,003,168	47,024	625,048,473	625,004,255	44,218	902,019,937	902,019,937	-
Total	2,972,439,374	406,973,211	2,565,466,163	6,026,654,455	3,581,678,289	2,444,976,166	4,355,011,135	2,084,521,576	2,270,489,559
Liability									
Borrowings (other than Debt Securities)	238,294,022	-	238,294,022	3,318,602,824	-	3,318,602,824	1,904,372,917	-	1,904,372,917
Trade payables	66,201,032	-	66,201,032	22,048,109	-	22,048,109	69,800,638	-	69,800,638
Other liabilities	906,169	-	906,169	313,865	-	313,865	-	-	-
Total	305,401,223	-	305,401,223	3,340,964,798	-	3,340,964,798	1,974,173,555	-	1,974,173,555



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(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

	2018-19				
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax
Currency of borrowing / advances					
US dollar (if any)	25	(3,806,492)	-	25	3,806,492.00
					-

	2017-18				
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax
Currency of borrowing / advances					
US dollar (if any)	25	(21,114,010)	-	25	21,114,010
					-



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36.6. Market Risk (Continued)

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings.

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss and equity.

2018-19					
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax
United State Dollars	5	(1,563,660)	-	5	1,563,660
Mauritian Rupee	5	(25,806)	-	5	25,806
Euro	5	898,586	-	5	(898,586)
Great Britain Pound	5	316,835	-	5	(316,835)
Japanese Yen	5	(1,491)	-	5	1,491
Indian Rupees	5	(43,592)	-	5	43,592

2017-18					
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax
United State Dollars	5	(6,483,955)	-	5	6,483,955
Canadian Dollar	5	277,325	-	5	(277,325)
Swiss Frank	5	(1,857)	-	5	1,857
Chinese Yuan	5	19,094	-	5	(19,094)
Euro	5	626,846	-	5	(626,846)
Great Britain Pound	5	142,814	-	5	(142,814)
Hungarian Forint	5	64,120	-	5	(64,120)
Indian Rupees	5	48,862,543	-	5	(48,862,543)
Japanese Yen	5	41,983	-	5	(41,983)
Mauritian Rupee	5	(1,929)	-	5	1,929
Mexican Peso	5	(43,869)	-	5	43,869
Norwegian Krone	5	(20,209)	-	5	20,209
New Zealand Dollar	5	(18,642)	-	5	18,642
Swedish Krona	5	22,551	-	5	(22,551)
Singapore Dollar	5	27,992	-	5	(27,992)
Turkish Lira	5	76,684	-	5	(76,684)
South African Ran	5	1,118,898	-	5	(1,118,898)



EC Global Limited

Notes to the financial statements
For the year ended 31 March 2019
(Currency: Indian rupees)

36.6. Market Risk (Continued)

(iii) Other price risk

2018-19						
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Impact on						
Units of Fund	5	-	698,502	5	-	(698,502)
Derivatives	5	184,074,165	-	5	(184,074,165)	-

2017-18						
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Impact on						
Debtures and Bonds	5	-	146,285,846	5	-	(146,285,846)
Units of Fund	5	-	719,732	5	-	(719,732)
Derivatives	5	(317,248,906)	-	5	317,248,906	-



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

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37. First-time adoption – mandatory exceptions, optional exemptions

37.1. Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Exemption applied

37.2. Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

Cumulative translation differences on foreign operations

The Company has elected the option to reset the cumulative translation differences on foreign operations that exist as of the transition date to zero.



EC Global Limited

Notes to the financial statements

For the year ended 31 March 2019

(Currency: Indian rupees)

37. First-time adoption – mandatory exceptions, optional exemptions (Continued)

37.3. Reconciliation of Profit for the year ended 31 March 2018 is as under:

Particulars	Year Ended 31 March 2018
Net profit after tax as reported under Indian GAAP	137,468,807
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:	
Fair valuation of assets and liabilities	22,206,387
Others	(5,084,383)
Net profit as per Ind AS	154,590,811
Other Comprehensive Income after tax as per Ind AS	(9,279,955)
Total Comprehensive Income as per Ind AS	145,310,856

37.4 Reconciliation of equity as at 31 March 2018 and 1 April 2017 is as under:

Particulars	As at 31 March 2018	As at 1 April 2017
Shareholder's Equity as reported under Indian GAAP	2,698,674,953	2,401,460,241
Ind AS adjustments increasing / (decreasing) network as reported under Indian GAAP:		
Fair valuation for assets and liabilities	(14,006,408)	(21,848,459)
Shareholder's Equity as per Ind AS	2,684,668,545	2,379,611,782

Notes:-

1. FVOCI financial assets

Under Indian GAAP, the Company accounted for long term investments in debt securities as investment measured at cost less provision for other than temporary diminution in the value of investments. Under Ind AS, these investments fulfil FVOCI criteria, so these are to be measured at fair value. At the date of transition to Ind AS, difference between the instruments fair value and previous GAAP carrying value has been recognised as a separate component of equity, in the FVOCI reserve, net of related deferred taxes as applicable.

2. Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



R. P. Soni

Partner

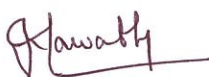
Membership No.: 104796

Mumbai

8 May 2019



For and on behalf of the Board of Directors



Kaneyalall Hawabhay
Director



Vinod Kumar Soni
Director

8 May 2019