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INDEPENDENT AUDITOR'S REPORT

To the Directors of EFSL International Limited

Opinion

We have audited the accompanying special purpose financial statements (accompanying financial statements) of EFSL International 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.

Emphasis of matter

We draw attention to Note 2of the financial statements, the shareholders of the Company has approved the plan of liquidation vide the resolution dated December 21, 2018 and the Company commenced liquidation shortly thereafter. As a result the Company has changed its basis of accounting for periods subsequent to January 11, 2019 from the going-concern basis to a liquidation basis. Our opinion is not modified in respect of this matter.

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.

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 11, 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 EFSL International 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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R.P.Soni
Partner
Membership Number: 104796

Place: Mumbai
Date: May 08, 2019

EFSL International Limited

Balance Sheet

(Currency : Indian rupees)

	Notes	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Financial assets				
Cash and cash equivalents	7	**1,629,892**	11,016,008	1,128,793
Other financial assets	9	-	134,494,464	58,206,466
		1,629,892	145,510,472	59,335,259
Non-financial assets				
Other non- financial assets	10	-	28,457	158,124
		-	28,457	158,124
TOTAL ASSETS		**1,629,892**	145,538,929	59,493,383
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables		**1,263,321**	108,077,344	117,404,486
Borrowings (other than debt securities)	11	-	371,559,087	111,974,187
		1,263,321	479,636,431	229,378,673
Non-financial liabilities				
Other non-financial liabilities	12	-	24,392	-
		-	24,392	-
EQUITY				
Equity share capital	13	**412,366,145**	6,661,580	6,661,580
Other equity		**(411,999,574)**	(340,783,474)	(176,546,870)
		366,571	(334,121,894)	(169,885,290)
TOTAL LIABILITIES AND EQUITY		**1,629,892**	145,538,929	59,493,383

Significant accounting policies and notes forming part of the financial statements 1-30

As per our report of even date attached

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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.: 104796
8 May 2019

For and on behalf of the Board of Directors

Vinod Kumar Soni
Director
8 May 2019

Sagar Anand
Director
8 May 2019

EFSL International 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	14	726,639	-
Net gain on fair value changes	15	30,662,420	29,737,310
Other income	16	-	954,935
Total income		31,389,059	30,692,245
Expenses			
Finance costs	17	25,055,620	24,294,503
Other expenses	18	47,922,628	168,594,197
Total expenses		72,978,248	192,888,700
Loss before tax		(41,589,189)	(162,196,455)
Tax expenses	19	-	-
Loss for the year		(41,589,189)	(162,196,455)
Other Comprehensive Income			
Items that will be reclassified to profit or loss			
Foreign exchange translation reserve		(29,626,911)	(2,040,149)
Total		(29,626,911)	(2,040,149)
Total Comprehensive Income		(71,216,100)	(164,236,604)
Earnings per ordinary share (Face value USD 1 each)			
Basic and Diluted EPS	20	(19.99)	(1,621.96)
Significant accounting policies and notes forming part of the financial statements	1-30		

As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants
Firm Registration No.: 119850W

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.: 104796
Mumbai
8 May 2019

For and on behalf of the Board of Directors

Vinod Kumar Soni
Director
8 May 2019

Sagar Anand
Director
8 May 2019

EFSL International Limited

Statement of changes in equity

(Currency : Indian rupees)

A. Equity share capital

Balance as at 1 April 2017	Changes in equity share capital	Balance as at 31 March 2018	Changes in equity share capital	Balance as at 31 March 2019
6,661,580	-	6,661,580	405,704,565	412,366,145

B. Other Equity

Particulars	Reserves and Surplus	Other comprehensive income	Total
	Retained earnings	Foreign exchange translation reserve	
Balance at 1 April 2017 (Indian GAAP)	(182,432,536)	5,885,666	(176,546,870)
Ind AS adjustments	5,885,666	(5,885,666)	-
Loss for the year	(162,196,455)	-	(162,196,455)
Other comprehensive income	-	(2,040,149)	(2,040,149)
Total Comprehensive Income for the year	(162,196,455)	(2,040,149)	(164,236,604)
Balance at 31 March 2018 (Ind AS)	**(338,743,325)**	**(2,040,149)**	**(340,783,474)**
Loss for the year	(41,589,189)	-	(41,589,189)
Other comprehensive income	-	(29,626,911)	(29,626,911)
Total Comprehensive Income for the year	(41,589,189)	(29,626,911)	(71,216,100)
Balance at 31 March 2019 (Ind AS)	**(380,332,514)**	**(31,667,060)**	**(411,999,574)**

Nature and purpose of reserves

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

As per our report of even date attached

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

For and on behalf of the Board of Directors

NGS & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

R. P. Soni
Partner
Membership No.: 104796
Mumbai
8 May 2019

Vinod Kumar Soni
Director
8 May 2019

Sagar Anand
Director
8 May 2019

EFSL International 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 before taxation	(41,589,189)	(162,196,455)
	Adjustments for		
	Interest expense on borrowings (other than debt securities)	24,727,316	23,874,993
	Operating cash flow before working capital changes	(16,861,873)	(138,321,462)
	Adjustments for working capital changes		
	Decrease / (increase) in other assets	134,494,464	(76,287,998)
	Decrease in current liabilities and provisions	(106,838,415)	(9,302,750)
	Decrease in loans and advances	28,457	129,667
	Cash generated from / (used in) operations	10,822,633	(223,782,543)
	Income taxes paid	-	-
	Net cash generated from / (used in) operating activities - A	10,822,633	(223,782,543)
B	**Net cash flow from investing activities - B**	-	-
C	**Cash flow from financing activities**		
	Proceeds from borrowings (other than debt securities) (refer note 2 below)	30,775,464	244,843,229
	Interest paid on borrowings (other than debt securities)	(21,357,302)	(9,133,322)
	Net cash generated from financing activities - C	9,418,162	235,709,907
D	**Change in foreign exchange translation reserve - D**	(29,626,911)	(2,040,149)
	Net (decrease) / increase in cash and cash equivalents (A+B+C+D)	(9,386,116)	9,887,215
	Cash and cash equivalents as at the beginning of the year	11,016,008	1,128,793
	Cash and cash equivalents as at the end of the year	1,629,892	11,016,008

Note:

1 During the current year, the Company has converted borrowings (including interest accrued thereon) from its holding company amounting to Rs. 405,704,565 into its own equity shares. The same being non-cash in nature, hence not disclosed in the above cash flow statement.

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

As per our report of even date attached

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

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.: 104796
Mumbai
8 May 2019

For and on behalf of the Board of Directors

Vinod Kumar Soni
Director
8 May 2019

Sagar Anand
Director
8 May 2019

1. Background

EFSL International Limited ('the Company') was incorporated as a private limited company in Republic Mauritius on 28 July 2015. 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.

The Company is a wholly owned subsidiary of EC International Limited, incorporated as a private company limited by shares in the Republic of Mauritius, which in turn is a wholly owned subsidiary of Edelweiss Financial Services Limited, incorporated in India. The Company is involved in trading in securities and derivatives in global markets.

2. Basis of preparation of financial statements

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). Refer note 26, the Shareholder of the Company has passed the resolution for winding up of the Company on January 11, 2019 .The Company has ceased to carry on business and is in the process of discharging in full its liabilities to all its known creditors and distributing its surplus assets. Consequently, in accordance with Ind AS 1, Presentation of financial statements the Company has changed the basis of preparing its financial statements from going concern to liquidation.

Liquidation basis of accounting

Under the liquidation basis of accounting, all assets and liabilities are measured at their net realizable values. Costs expected to be incurred during the winding up, including administrative costs and professional fees expected to be incurred in future periods until the winding up of the Company is completed, have been accrued. Provisions for contingent liabilities are accrued when the probability of loss is more likely than not. Contingent assets are not accrued unless receipt is virtually certain.
The Company being a foreign company prepared its financial statements in United States Dollar (USD) which is its Functional currency. However for consolidation purpose, the company presents these financial statements in Indian Rupee (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 are 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 30 for information on how the Company adopted Ind AS.

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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 22.

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 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. The effect of netting arrangements is disclosed in Note 29.

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.

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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.

4.2.3 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.

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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.

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.

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.

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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.

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.

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4.3.4 Derivative contracts (Derivative assets / Derivative liability)

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, 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.

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.

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.

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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 liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new 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 Comppany records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitment and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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 and is adjusted for forward-looking estimates. 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.

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. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount.

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.

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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 to 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.

4.9 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.

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4.10 Foreign currency transactions

The financial statements are presented in Indian Rupees which is also functional currency of the Parent. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) 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

4.11 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.

4.12 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.

4.13 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. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

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4.14 Income tax expenses

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

4.14.1 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.

4.14.2 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.

4.14.3 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.

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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.

However since the company has prepared theses financial statetments under the liquidation basis of accounting which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. Different assumptions could significantly affect these estimates. Accordingly, the estimated net realizable values of the assets and liabilities may differ from the actual values received or settled in the winding up, and the estimates of future costs expected to be incurred may differ from those actually incurred during the winding up. The primary areas of measurement uncertainty include accruals for the costs expected to be incurred during the winding up (refer trade payables).

6.1 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.

6.1.1 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 Company's 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.

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6.1.2 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.

6.2 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.

6.2.1 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.

6.2.2 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.

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6.2.3 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.

6.2.4 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.

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(Currency :Indian Rupees)

7. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Cash and cash equivalents			
Balances with banks			
- in current accounts	**1,629,892**	11,016,008	1,128,793
Total	**1,629,892**	11,016,008	1,128,793

8. Derivative financial instruments

There are no open derivative positions as at 31 March 2019.

As at March 31, 2018			
Open position of Derivative asset	Notional		Fair value of asset
Particulars	Unit	Notional amount	
(i)Interest rate derivatives			
-Futures	No.of units	110,482,412	108,103
Less: amounts offset (refer note 29 on offsetting disclosure)	-	(110,482,412)	(108,103)
Subtotal(i)	-	-	-
Total Derivative Financial Instruments	-	-	-

As at April 01, 2017			
Open position of Derivative liability	Notional		Fair value of liability
Particulars	Unit	Notional amount	
(i)Interest rate derivatives			
-Futures	No.of units	956,310,256	(271,479)
Less: amounts offset (refer note 29 on offsetting disclosure)	-	-	271,479
Subtotal(i)	-	-	-
Total Derivative Financial Instruments	-	-	-

9. Other financial asset:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Unsecured, considered good			
- Margin placed with broker	-	134,494,464	58,206,466
Total	-	**134,494,464**	**58,206,466**

10. Other non financial assets

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Prepaid expenses	-	28,457	158,124
Total	-	28,457	158,124

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(Currency :Indian Rupees)

11. Borrowing (other than debt securities)

Particulars	**As at March 31, 2019**	As at March 31, 2018	As at April 01, 2017
Unsecured, outside India			
Loan from holding company	-	371,559,087	111,974,187
Total	-	371,559,087	111,974,187

Loan taken from holding company is unsecured and repayable on demand. It bears an interest rate based on quarterly average borrowing rate of holding company plus mark up of 25 bps, compounded monthly for the financial year ended 31 March 2018 ranging between **7.61% to 7.63 %** p.a.. The loan is measured at amortised cost.

12. Other non-financial liabilities

Particulars	**As at March 31, 2019**	As at March 31, 2018	As at April 1, 2017
Withholding Taxes	-	24,392	-
Total	-	24,392	-

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(Currency :Indian Rupees)

13. Equity Share Capital

13.1 Issued, Subscribed and Paid up

Particulars	As at March 31, 2019	As at 31 March 2018	As at 01 April 2017
5,837,227 (Previous year: 100,000) ordinary shares of USD 1 each, fully paid-up	**412,366,145**	6,661,580	6,661,580
Total	**412,366,145**	6,661,580	6,661,580

(The entire share capital is held by EC International Limited , the holding company, which in turn is a wholly owned subsidiary of Edelweiss Financial Services Limited)

13.2 Movement in share capital :

	March 31, 2019		March 31, 2018		March 31, 2017	
	No. of shares	**Amount**	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	**100,000**	**6,661,580**	100,000	6,661,580	100,000	6,661,580
Shares issued during the year	**5,737,227**	**405,704,565**	-	-	-	-
Outstanding at the end of the year	**5,837,227**	**412,366,145**	100,000	6,661,580	100,000	6,661,580

During the year, the Company has converted loans taken from its holding company and interest accrued thereon amounting to **Rs. 405,704,565** (previous year: NIL) into ordinary shares.

13.3 Terms / rights attached to equity shares:

The Company has only one class of shares referred to as ordinary shares having a par value of USD 1. Each holder of ordinary shares is entitled to one vote per share held. The dividend declared by the Company, if any will be paid in USD. 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.

14. Interest income

Particulars	for the year ended March 31 2019	for the year ended March 31 2018
On Financial Assets measured at Amortised Cost		
- Other interest Income	**726,639**	-
Total	**726,639**	-

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Notes to the financial statements (Continued)

(Currency :Indian Rupees)

15. Net gain on fair value changes

Particulars	for the year ended March 31 2019	for the year ended March 31 2018
Net gain /(loss) on financial instruments at fair value through profit or loss		
Profit on trading in currency derivative instruments (net)	-	259,320
Profit on equity derivative instruments (net)	**3,181,761**	4,188,244
Loss on interest rate derivative instruments (net)	**27,480,659**	25,289,746
Total Net gain on fair value changes	**30,662,420**	29,737,310

Particulars	for the year ended March 31 2019	for the year ended March 31 2018
Fair value changes		
Realised	**30,662,420**	29,629,207
Unrealised	-	108,103
Total Net gain on fair value changes	**30,662,420**	29,737,310

16. Other Income

Particulars	for the year ended March 31 2019	for the year ended March 31 2018
Foreign exchange gain	-	954,935
Total	-	954,935

17. Finance cost

Particulars	for the year ended March 31 2019	for the year ended March 31 2018
On Financial liabilities measured at Amortised Cost		
- Interest expense on loan from Holding Company	**24,727,316**	23,874,993
- Other Interest expense	**328,304**	419,510
Total	**25,055,620**	24,294,503

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Notes to the financial statements (Continued)

(Currency :Indian Rupees)

18. Other expenses

Particulars	for the year ended March 31 2019	for the year ended March 31 2018
Auditors' remuneration ((refer note below)	**1,195,449**	1,153,029
Commission and brokerage	**19,004,498**	45,436,758
Directors' sitting fees	**218,461**	282,494
Legal and professional fees	**25,509,521**	100,254,398
Foreign exchange loss (net)	**1,353,901**	-
Membership and subscription	**(765,227)**	19,471,195
Office expenses	**1,406,025**	1,962,875
ROC Expenses	**-**	33,448
Total	**47,922,628**	168,594,197

Auditors' remuneration:

Particulars	for the year ended March 31 2019	for the year ended March 31 2018
As Auditors	**1,124,681**	1,113,652
Towards reimbursement of expenses	**70,588**	39,377
	1,195,449	**1,153,029**

19. Income Tax

The components of income tax expense for the years ended 31 March 2019 and 2018 are:

Particulars	for the year ended March 31 2019	for the year ended March 31 2018
Current tax	-	-
Deferred tax	-	-
Total tax charge	-	-

Reconciliation of the total tax charge

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 2018 is, as follows:

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(Currency :Indian Rupees)

Reconciliation of total tax charge

Particulars	for the year ended 31 March 2019	for the year ended 31 March 2018
Accounting profit before tax as per financial statements	**(41,589,189)**	(162,196,455)
Tax rate (in percentage)	**15%**	15%
Income tax expense calculated based on this tax rate	**(6,238,378)**	(24,329,468)
Adjustment in respect of current income tax of prior years	**-**	-
Effect of income not subject to tax	**(4,708,359)**	(4,603,836)
Effect of non–deductible expenses	**(10,946,737)**	(28,933,286)
Tax charge for the year recorded in P&L	**-**	-

20. Earning per share

Particulars	for the year ended 31 March 2019	for the year ended 31 March 2018
Shareholders earnings (as per statement of profit and loss) **(a)**	**(41,589,189)**	(162,196,455)
Net Profit available to equity shareholders for the purpose of calculating basic and diluted earnings per share	**(41,589,189)**	(162,196,455)
Calculation of weighted average number of equity shares of USD 1 each **(b)** :		
Number of shares at the beginning of the	**100,000**	100,000
Number of shares issued during the year	**5,737,227**	-
Total number of equity shares outstanding at the end of the year	**5,837,227**	100,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	**20,80,522**	100,000
Number of dilutive potential equity shares **(c)**	**-**	-
Basic earnings per share **{a/b}**	**(19.99)**	(1,621.96)
Diluted earnings per share **{a/(b+c)}**	**(19.99)**	(1,621.96)

21. Segment information

The Company has operated only in one business segment during the year viz business of trading and investments. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements.

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(Currency :Indian Rupees)

22. 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.

	31 March 2019			31 March 2018			01 April 2017		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
ASSETS									
Financial Assets									
Cash and cash equivalents	1,629,892	-	1,629,892	11,016,008	-	11,016,008	1,128,793	-	1,128,793
Other financial assets	-	-	-	134,494,464	-	134,494,464	58,206,466	-	58,206,466
Non-Financial Assets									
Other non-financial assets	-	-	-	28,457	-	28,457	158,124	-	158,124
Total Assets (A)	**1,629,892**		**1,629,892**	145,538,929		145,538,929	59,493,383		59,493,383
LIABILITIES									
Financial Liabilities									
Trade Payables	1,263,321	-	1,263,321	108,077,344	-	108,077,344	117,404,486	-	117,404,486
Borrowings (Other than debt securities)	-	-	-	371,559,087	-	371,559,087	111,974,187	-	111,974,187
Non- Financial Liabilities									
Other non-financial liabilities	-	-	-	24,392	-	24,392	-	-	-
Total liabilities (B)	**1,263,321**	-	**1,263,321**	**479,660,823**	-	**479,660,823**	**229,378,673**	-	**229,378,673**
Net (A-B)	**366,571**	-	**366,571**	**(334,121,894)**	-	**(334,121,894)**	**(169,885,290)**	-	**(169,885,290)**

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(Currency :Indian Rupees)

23. Change in liabilities arising from financing activities

Particulars	1 April 2018	Cash flows	Changes in fair values	Exchange difference	Other (*)	31 March 2019
Borrowings other than debt securities	371,559,087	9,418,162	-	-	(380,977,249)	-
Total liabilities from financing activities	371,559,087	9,418,162	-	-	(380,977,249)	-

(*) Other includes interest charge for the year and Loan and interest accrued there on converted into Equity shares

Particulars	1 April 2017	Cash flows	Changes in fair values	Exchange difference	Other (*)	31 March 2018
Borrowings other than debt securities	111,974,187	235,709,907	-	-	23,874,993	371,559,087
Total liabilities from financing activities	111,974,187	235,709,907	-	-	23,874,993	371,559,087

(*) Other includes interest charge for the year

24. Related Party Transactions as required by Ind AS 24– "Related Party Disclosure":

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

Edelweiss Financial Services Limited, Ultimate Holding Company
EC International Limited, Holding Comapny

(B) Fellow subsidiaries with whom transactions have taken place

Edelweiss Rural & Corporate Services Limited (**)

(C) List of Directors

Mannish Ajodah
Mithilesh Lallah
Sagar Anand
Vinod Soni
Navin Amarnani (till 19 October 2019)

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(Currency :Indian Rupees)

24 Related Party Transactions as required by Ind AS 24– "Related Party Disclosure" (continued)

(D) Transactions and balances with related parties:

Nature of transaction	Related party name	For the year ended 31 March 2019	For the year ended 31 March 2018
(I) Transactions with related parties :			
Capital account transactions during the year			
Equity shares issued to	EC International Limited	**405,704,565**	-
Current account transactions during the year			
Short term loans taken from (refer note below)	EC International Limited	**186,952,767**	280,346,222
Short term loans repaid to (refer note below)	EC International Limited	**564,985,385**	38,085,061
Interest paid on loans taken from	EC International Limited	**24,727,316**	23,874,993
Cost reimbursement paid to	Edelweiss Rural & Corporate Services Limited **	**24,826,433**	99,732,704
Professional fees paid to	Edelweiss Rural & Corporate Services Limited **	**1,406,025**	1,962,875
(II) Balances with related parties			
Short term borrowings from	EC International Limited	-	351,826,919
Interest accrued but not due on borrowings from	EC International Limited	-	19,732,168
Trade payables	Edelweiss Rural & Corporate Services Limited **	-	101,661,977

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

(ii)** With effect from the Appointed Date i.e. 01 August 2018, Edelweiss Business Services Limited has 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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25. 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 366,571 (2018: INR 37,437,193).

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 above strategies have been parted with as the company is under liquidation with the view of striking off the company within the next few months.

26. Events after reporting date

The Shareholder of the Company has passed the resolution for winding up of the Company on January 11, 2019 stating that the Company has ceased to carry on business and is in the process of discharging in full its liabilities to all its known creditors as well as distributing its surplus assets. The Company has applied to Mauritius Revenue Authority for NOC. The Company is awaiting NOC from Mauritius Revenue Authority. As on 31 March 2019, the Company has share capital of INR 412,366,145 and accumulated net loss of INR 411,999,574. The Company will return the surplus fund of INR 366,571 to its shareholder.

27. Fair value measurement:

27.1 Valuation Principles :

Fair value 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 a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

The Company uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

Level 1 - inputs that are quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 - techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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(Currency :Indian Rupees)

27.2 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:

There were no financial instruments recorded at fair value as at 31st March, 2019.

As at 31 March 2018				
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value on a recurring basis				
Derivative financial instruments:				
Exchange-traded derivatives	108,103	-	-	-
Total derivative financial instruments (assets)	108,103	-	-	-
Total financial assets measured at fair value on a recurring basis	108,103	-	-	-
As at 01 April 2017				
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities measured at fair value on a recurring basis				
Derivative financial instruments:				
Exchange-traded derivatives	271,479	-	-	-
Total derivative financial instruments (liabilities)	271,479	-	-	-
Total financial liabilities measured at fair value on a recurring basis	271,479	-	-	-

28. Risk Management

The company had operations in Mauritius. Whilst risk is inherent in the Company's activities, it was managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. The above strategies have been parted with as the company is under liquidation with the view of striking off the company within the next few months.

The Company was exposed to credit risk, liquidity risk and market risk.

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(Currency :Indian Rupees)

28.1 Analysis of risk concentration

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The carrying amounts of financial assets in the statement of financial position represent the Company's maximum exposure to credit risk, before taking into account any collateral held. The Company does not hold any collateral in respect of their financial assets.

At the reporting date, there was no significant concentration of credit risk. The maximum credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

The Company's cash and cash equivalents are held with regulated and reputed financial institutions. Loans comprise of loans given to Group Companies.

Industry analysis - Risk concentration

Particulars	Financial services		
	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Financial assets			
Cash and cash equivalent	**1,629,892**	11,016,008	1,128,793
Other financial Assets	-	134,494,464	58,206,466
Other non-financial Assets	-	28,457	158,124
Total	**1,629,892**	145,538,929	59,493,383

28.2 Liquidity risk and funding management

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The table below summarise the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments.

(Currency :Indian Rupees)

28.2.1 Analysis of non-derivative financial liabilities by remaining contractual maturities

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

As at 31 March 2019	On demand	Less than 3	3 months to 6 months	6 months to 1 year	1 year to 3 years	Over 3 years	Total
Trade payables	-	1,263,321	-	-	-	-	1,263,321
Total undiscounted non-derivative financial liabilities	**-**	**1,263,321**	**-**	**-**	**-**	**-**	**1,263,321**

As at 31 March 2018	On demand	Less than 3	3 months to 6 months	6 months to 1 year	1 year to 3 years	Over 3 years	Total
Trade payables	-	108,077,344	-	-	-	-	108,077,344
Borrowings (other than debt securities)	371,559,087	-	-	-	-	-	371,559,087
Total undiscounted non-derivative financial liabilities	**371,559,087**	**108,077,344**	**-**	**-**	**-**	**-**	**479,636,431**

As at 1 April 2017	On demand	Less than 3	3 months to 6 months	6 months to 1 year	1 year to 3 years	Over 3 years	Total
Trade payables	-	117,404,486	-	-	-	-	117,404,486
Borrowings (other than debt securities)	111,974,187	-	-	-	-	-	111,974,187
Total undiscounted non-derivative financial liabilities	**111,974,187**	**117,404,486**	**-**	**-**	**-**	**-**	**229,378,673**

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(Currency :Indian Rupees)

28.2.2 Analysis of non-derivative financial 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 undiscounted cash flows of the Company's non-derivative financial assets as at 31 March.

As at 31 March 2019	On demand	Less than 3	3 months to 6 months	6 months to 1 year	1 year to 3 years	Over 3 years	Total
Cash and cash equivalent including bank balance	1,629,892	-	-	-	-	-	1,629,892
Total	**1,629,892**	**-**	**-**	**-**	**-**	**-**	**1,629,892**

As at 31 March 2018	On demand	Less than 3	3 months to 6 months	6 months to 1 year	1 year to 3 years	Over 3 years	Total
Cash and cash equivalent including bank balance	11,016,008	-	-	-	-	-	11,016,008
Other financial assets	-	134,602,567	-	-	-	-	134,602,567
Total	**11,016,008**	**134,602,567**	**-**	**-**	**-**	**-**	**145,618,575**

As at 01 April 2017	On demand	Less than 3	3 months to 6 months	6 months to 1 year	1 year to 3 years	Over 3 years	Total
Cash and cash equivalent including bank balance	1,128,793	-	-	-	-	-	1,128,793
Other financial assets	-	57,934,987	-	-	-	-	57,934,987
Total	**1,128,793**	**57,934,987**	**-**	**-**	**-**	**-**	**59,063,780**

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(Currency :Indian Rupees)

28.2.3 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 cash flows.

As at 31 March 2018	**On demand**	**Less than 3**	**3 months to 6 months**	**6 months to 1 year**	**1 year to 3 years**	**Over 3 years**	**Total**
Net settled derivatives entered into for trading purposes	-	108,103	-	-	-	-	108,103
Total	**-**	**108,103**	**-**	**-**	**-**	**-**	**108,103**

As at 01 April 2017	**On demand**	**Less than 3**	**3 months to 6 months**	**6 months to 1 year**	**1 year to 3 years**	**Over 3 years**	**Total**
Net settled derivatives entered into for trading purposes	-	(271,479)	-	-	-	-	(271,479)
Total	**-**	**(271,479)**	**-**	**-**	**-**	**-**	**(271,479)**

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28. 3 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	-	-	-	1,629,892	1,629,892
Total assets	**-**	**-**	**-**	**1,629,892**	**1,629,892**

31 March 2018	Pledge as collateral	others 1*	Available as collateral	others 2**	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	11,016,008	11,016,008
Other financial assets	134,494,464	-	-	-	134,494,464
Total assets	**134,494,464**	**-**	**-**	**145,510,472**	**145,510,472**

01 April 2017	Pledge as collateral	others 1*	Available as collateral	others 2**	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	1,128,793	1,128,793
Other financial assets	58,206,466	-	-	-	58,206,466
Total assets	**58,206,466**	**-**	**-**	**1,128,793**	**59,335,259**

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

**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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28.4 Market Risk:

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios.

	31-Mar-19			31-Mar-18			01-Apr-2017 (i.e. 31-Mar-2017)		
Particulars	**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	1,629,892	-	1,629,892	11,016,008	-	11,016,008	1,128,793	-	1,128,793
Other financial assets	-	-	-	134,494,464	134,494,464	-	58,206,466	58,206,466	-
Total	**1,629,892**	-	**1,629,892**	**145,510,472**	**134,494,464**	**11,016,008**	**59,335,259**	**58,206,466**	**1,128,793**
Liability									
Borrowings (other than Debt Securities)	-	-	-	371,559,087	-	371,559,087	111,974,187	-	111,974,187
Other non-financial liabilities	-	-	-	24,392	-	24,392	-	-	-
Trade payables	1,263,321		1,263,321	108,077,344	-	108,077,344	117,404,486	-	117,404,486
Total	**1,263,321**	-	**1,263,321**	**479,660,823**	-	**479,660,823**	**229,378,673**	-	**229,378,673**

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Notes to the financial statements (Continued)

(Currency :Indian Rupees)

Interest rate risk

Interest rate risk is the risk that the interest bearing financial assets and financial liabilities may change as a result of a change in the prevailing market interest rates. The Company has given as well as taken variable interest rate bearing loans. To that extent the Company is exposed to risk due to fluctuations in the prevailing levels of the market interest rates.

The Company is not exposed to interest rate risk as at 31st March, 2019 as it has no instruments with variable interest rate.

Currency of borrowing / advances	2017-18					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
US dollar	25	(879,526)		25	879,526	

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 Company's total exposure to fluctuation in foreign currency exchange rates at the date of financial statements is as follows:

The Company does not have any Currency risk as at 31 March 2019.

	2017-18					
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
EURO	5	759,390		5	(759,390)	
GBP	5	177,570		5	(177,570)	
CAD	5	147,975		5	(147,975)	

Index price risk:

Index price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of equity indices.

The Company does not have any Index price risk as at 31 March 2019

	2017-18					
Impact on	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	5,524,121		5	(5,524,121)	

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29. Offsetting:

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis. The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

Financial assets subject to offsetting, netting arrangements

As at 31 March 2018	**Offsetting recognised in balance sheet**		
Particulars	**Gross asset before offset**	**Offset with gross liabilities**	**Net asset recognised in balance sheet (A)**
Derivative financial assets	108,103	(108,103)	-

As at 1 April 2017	**Offsetting recognised in balance sheet**		
Particulars	**Gross liability before offset**	**Offset with gross assets**	**Net Liability recognised in balance sheet (A)**
Derivative financial Liability	271,479	(271,479)	-

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(Currency :Indian Rupees)

30. First-time adoption – IND AS

30.1 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.

30.2 Exemption applied

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.

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.

30.3 Reconciliation of net profit and net worth

Reconciliation of Net Profit for the year ended 31 March 2018 as reported under erstwhile Indian GAAP and Ind AS are summarised as below:

Particulars	Year Ended March 31, 2018
Net profit after tax as reported under Indian GAAP	**(162,196,455)**
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP	-
Net profit as per Ind AS	**(162,196,455)**
Other Comprehensive Income after tax as per Ind AS	**(2,040,149)**
Total Comprehensive Income as per Ind AS	**(164,236,604)**

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Notes to the financial statements

(Currency :Indian Rupees)

30. First-time adoption – IND AS (continued)

Reconciliation of equity as at 1 April 2017 and 31 March 2018

Particulars	As at 31 March 2018	As at 1 April 2017
Shareholder's Equity as reported under Indian GAAP	**(334,121,894)**	**(169,885,290)**
Ind AS adjustments increasing / (decreasing) networth as reported under Indian GAAP	-	-
Shareholder's Equity as per Ind AS	**(334,121,894)**	**(169,885,290)**

Footnotes to the reconciliation of equity as at 1 April 2017 and 31 March 2018 and profit or loss for the year ended 31 March 2018

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

Statement of cash flows
The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

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

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.: 104796
Mumbai
8 May 2019

For and on behalf of the Board of Directors

Vinod Kumar Soni
Director

8 May 2019

Sagar Anand
Director

8 May 2019