

Independent Auditors' Report

To the Directors of
EC Global Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **EC Global Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

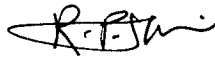


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

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



R.P.Soni
Partner
Membership No. 104796
Place: Mumbai
Date: 24 April 2018



EC Global Limited

Balance Sheet

(Currency: Indian rupees)

EQUITY AND LIABILITIES

Shareholders' funds

Share capital

Reserves and surplus

Non-current liabilities

Long-term provisions

Current liabilities

Short-term borrowings

Trade payables

Other current liabilities

Short-term provisions

TOTAL

ASSETS

Non-current assets

Fixed assets

- Tangible assets

- Intangible assets

Non-current investments

Current assets

Current investments

Cash and cash equivalents

Short-term loans and advances

Other current assets

TOTAL

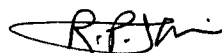
Significant accounting policies and notes to the financial statements

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



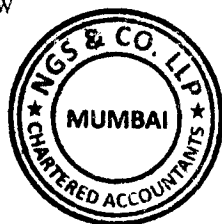
R. P. Soni

Partner

Membership No.: 104796

Mumbai

24 April 2018



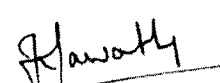
Note	As at 31 March 2018	As at 31 March 2017
2.1	160,850,745	1,104,840
2.2	<u>2,537,824,208</u>	<u>2,400,355,401</u>
	2,698,674,953	2,401,460,241
2.3	<u>22,028</u>	-
	22,028	-
2.4	3,300,724,261	1,899,876,902
	22,048,109	69,800,639
2.5	18,274,130	59,560,640
2.6	<u>1,211,937</u>	<u>1,442,918</u>
	3,342,258,437	2,030,681,099
	<u>6,040,955,418</u>	<u>4,432,141,340</u>
2.7	174,066	-
	52,281	-
2.8	<u>161,058,364</u>	<u>945,012,625</u>
	161,284,711	945,012,625
2.9	2,793,059,608	221,183,592
2.10	31,866,300	39,698,820
2.11	2,282,000,807	2,209,993,057
2.12	<u>772,743,992</u>	<u>1,016,253,246</u>
	5,879,670,707	3,487,128,715
	<u>6,040,955,418</u>	<u>4,432,141,340</u>

1 & 2

For and on behalf of the Board of Directors



Karan Verma
Director



Kaneyalall Hawabhay
Director

24 April 2018

EC Global Limited

Statement of Profit and Loss

(Currency: Indian rupees)

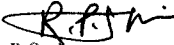
	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Fee income	2.13	161,806,457	-
Income from treasury operations	2.14	(140,339,414)	548,610,735
Interest income	2.15	277,096,592	219,624,735
Other operating revenue	2.16	645,434	(509,282)
Total revenue		299,209,069	767,726,188
Expenses			
Employee benefit expenses	2.17	1,911,431	-
Finance costs	2.18	109,145,044	96,139,266
Depreciation and amortization expenses	2.7	55,743	-
Other expenses	2.19	40,921,058	55,648,011
Total expenses		152,033,276	151,787,277
Profit before tax		147,175,793	615,938,911
Tax expense			
Current tax (Includes short tax provision of earlier years Nil; previous year Rs. 46,360/-)		9,706,986	4,331,348
Profit for the year		137,468,807	611,607,563
Earnings per equity share:			
Basic and diluted (face value USD 1 each)	2.23	56.68	24,464.30

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

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


R. P. Sont
Partner
Membership No.: 104796

Mumbai
24 April 2018



For and on behalf of the Board of Directors

 
Karan Verma
Director
Kaneyalal Hawabhay
Director

24 April 2018

EC Global Limited

Cash Flow Statement

(Currency: Indian rupees)

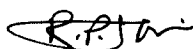
	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit before taxation	147,175,793	615,938,911
Adjustments for:		
Depreciation and amortisation expenses	55,743	-
Provision for compensated absences	27,982	-
Loss on sale of current investments	51,703,861	10,257,991
Loss on sale of long term investments	18,978,463	12,202,608
Interest income	(274,422,162)	(213,519,770)
Interest expense	85,750,465	61,047,683
Operating cash flow before working capital changes	29,270,145	485,927,423
Add / (less): Adjustments for working capital changes		
Decrease in other current assets	360,412,120	243,937,784
(Increase) / decrease in short-term loans and advances	104,716	(210,726)
Decrease in other current liabilities	(54,669,056)	(396,762,489)
(Decrease) / increase in trade payables	(47,752,530)	24,543,312
Cash generated from operations	287,365,395	357,435,304
Income taxes paid	(9,943,942)	(6,825,405)
Net cash generated from operating activities - A	277,421,453	350,609,899
B Cash flow from investing activities		
Proceeds from sale / distributions received from long term investment (net)	764,975,798	389,856,466
Purchase of current investments	(8,241,391,897)	(892,787,260)
Sale of current investments	5,617,812,021	1,310,227,702
Purchase of fixed assets (including intangible asset)	(282,090)	-
(Loans given) / repayments received (net) (Refer note below)	(72,112,466)	1,175,353,075
Interest received	157,519,317	215,131,718
Net cash generated from / (used in) investing activities - B	(1,773,479,318)	2,197,781,701
C Cash flow from financing activities		
Proceeds from / (repayment of) short term borrowings (net) (refer note below)	1,400,847,359	(2,455,116,489)
Proceeds from issue of ordinary shares	159,745,905	-
Interest paid	(72,367,919)	(60,346,243)
Net cash generated from / (used in) financing activities - C	1,488,225,345	(2,515,462,732)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(7,832,520)	32,928,868
Cash and cash equivalents as at the beginning of the year	39,698,820	6,769,951
Cash and cash equivalents as at the end of the year	31,866,300	39,698,820

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

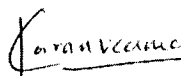


R. P. Soni
Partner
Membership No.: 104796

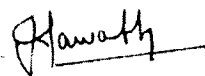
Mumbai
24 April 2018



For and on behalf of the Board of Directors



Karan Verma
Director



Kaneyalal Hawabhay
Director

24 April 2018

EC Global Limited

Notes to the financial statements for the year ended 31 March 2018

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

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

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

1.2 Use of estimates

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

1.3 Current/non-current classification

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

Assets

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

Liabilities

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



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

1. Significant accounting policies (continued)

1.4 Revenue recognition

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

1.5 Fixed assets and depreciation

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	3 years
Computer	3 years

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 (continued)

(Currency: Indian rupees)

1. Significant accounting policies (continued)

1.6 Employee benefits

Compensated leave absences

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

1.7 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.8 Stock-in-trade

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

1.9 Investments

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

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

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



EC Global Limited

Notes to the financial statements (*continued*)

(Currency: Indian rupees)

1. *Significant accounting policies (continued)*

1.10 *Derivatives*

- Outstanding derivative contracts are measured at fair value as at each Balance Sheet date. Fair value of derivatives is determined using quoted market prices in an actively traded market for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases, the valuation techniques used as input parameters are observable market data in order to ensure reliability of the fair value measure.
- In accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India effective from 1 April 2016, the Company recognises all mark to market gains or losses on derivative contracts in the statement of profit and loss.
- "Margin money with brokers" representing the initial margin and /or mark-to-market margin paid for entering into derivative contracts, which are released on final settlement / squaring – up of the underlying contracts, are disclosed under other current assets.
- "Option Premium Account" represents the premium paid or received for buying or selling the options, respectively.

1.11 *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.

1.12 *Taxation*

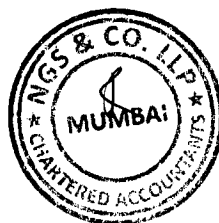
Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the applicable Income-Tax laws) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current Tax

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

Deferred taxation

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.



EC Global Limited

Notes to the financial statements (*continued*)

(Currency: Indian rupees)

1. *Significant accounting policies (continued)*

1.13 *Earnings per share*

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

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

1.14 *Provisions and contingent liabilities*

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

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

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



EC Global Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.1 Share capital		
(a) Issued, subscribed and paid up: 2,500,000 (Previous year: 25,000) ordinary shares of USD 1 each, fully paid up	160,850,745	1,104,840
	<u>160,850,745</u>	<u>1,104,840</u>
(b) Movement in share capital		
(i) Ordinary shares		
	31 March 2018	31 March 2017
	No of shares Amount	No of shares Amount
Outstanding as at the beginning of the year	25,000 1,104,840	25,000 1,104,840
Shares issued during the year	<u>2,475,000 159,745,905</u>	<u>- -</u>
Outstanding as at the end of the year	<u>2,500,000 160,850,745</u>	<u>25,000 1,104,840</u>
(ii) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:		
	31 March 2018	31 March 2017
	Number of shares Percentage Shareholding	Number of shares Percentage Shareholding
Ordinary shares		
Edelweiss Finance & Investments Limited, the holding company	- -	25,000 100%
EC International Limited, the holding company	<u>2,500,000 100%</u>	<u>- -</u>
	<u>2,500,000 100%</u>	<u>25,000 100%</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.		
2.2 Reserves and surplus		
Foreign exchange translation reserve	180,693,844	180,693,844
<u>Surplus in statement of profit and loss</u>		
Opening balance	2,219,661,557	1,608,053,994
Add: Profit for the year	<u>137,468,807</u>	<u>611,607,563</u>
Closing balance	<u>2,357,130,364</u>	<u>2,219,661,557</u>
	<u>2,537,824,208</u>	<u>2,400,355,401</u>



EC Global Limited

Notes to the financial statements (*continued*)

(Currency: Indian rupees)

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

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

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
Edel Commodities Limited
Edelweiss International (Singapore) Pte Limited
Edelcap Securities Limited
Edelweiss Business Services Limited
Edelweiss Commodities Pte. Limited
BAAA LLC
EW Special Opportunities Advisors LLC
EW India Special Assets Advisors LLC



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

(I) Contracts outstanding as at 31 March 2018

a) Currency forwards

Particulars of contract	Maturity group	Long position	Short position
		No. of contracts	No. of contracts
USDCNH	< 1 month	-	213,555 USD
USDCNH	1-2 months	-	1,693,708 USD
USDIDR	3-6 months	25,000,000 USD	-
USDSGD	3-6 months	89,316 USD	-
USDIDR	3-6 months	-	25,000,000 USD

b) Credit default swaps

Underlying	Notional principal (Rs.)
Housing Development Finance Corp Ltd	1,626,102,500
Tata Capital Ltd	1,626,102,500
Power Finance Corporation Ltd	1,626,102,500
Total	5,528,748,500

c) Futures

Index Futures

Particulars of contract	Maturity group	Long position		Short position	
		No. of contracts	No. of units	No. of contracts	No. of units
SGX SP CNX NIF	< 1 month	5	10	-	-



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

(I) Contracts outstanding as at 31 March 2017

a) Options

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

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

b) Currency forwards

Particulars of contract	Maturity group	Long position	Short position
		No. of contracts	No. of contracts
AUDUSD	< 1 month	-	209,000 AUD
EURUSD	< 1 month	279,0000 EUR	-
	< 1 month	-	6,125,000 EUR
	1-2 months	25,000 EUR	-
GBPUSD	< 1 month	167,000 GBP	-
USDBRL	< 1 month	-	250,000 USD
USDCAD	< 1 month	441 USD	-
	< 1 month	-	54,119 USD
USDCHF	< 1 month	-	38,059 USD
USDCNH	< 1 month	2,918,550 USD	-
	< 1 month	-	181,426 USD
USDCNY	< 1 month	-	240,000 USD
USDIDR	< 1 month	-	700,000 USD
	3-6 months	-	1,000,000 USD



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

b) Currency forwards (continued)

Particulars of contract	Maturity group	Long position	Short position
		No. of contracts	No. of contracts
USDINR	< 1 month	192,000,000 USD	-
	< 1 month	-	30,350,000 USD
	1-2 months	1,800,000 USD	-
	3-6 months	1,700,000 USD	-
USDJPY	< 1 month	-	1,032,014 USD
USDKRW	< 1 month	2,100,000 USD	-
	< 1 month	-	250,000 USD
	3-6 months	-	1,000,000 USD
USDMYR	< 1 month	-	270,000 USD
USDRUB	< 1 month	480,000 USD	-
USDSGD	< 1 month	3,487,133 USD	-
	2-3 months	2,007,087 USD	-
USDTHB	< 1 month	-	112,000 USD
USDTRY	< 1 month	-	250,000 USD
USDTWD	< 1 month	3,500,000 USD	-
USDZAR	< 1 month	350,000 USD	-

c) Credit default swaps

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



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

(I) Contracts outstanding as at 31 March 2018 (continued)

c) Futures (continued)

Interest Rate Futures

Particulars of contract	Maturity group	Long position		Short position	
		No. of contracts	No. of units	No. of contracts	No. of units
CBT 10Y T-Note	2-3 months	-	-	15	15,000
CBT 5Y T-Note	2-3 months	-	-	13	13,000
2-Year T-Note	2-3 months	-	-	44	88,000

d) Interest rate swaps

Benchmark	Notional principal (Rs.)	Terms
LIBOR	2,835,503,640	Receive-Fixed
MIBOR	1,898,868,600	Receive-Fixed
LIBOR	61,891,622	Pay-Fixed
MIBOR	5,000,000,000	Pay-Fixed
MIBOR	5,000,000,000	Pay-Fixed
Total	14,796,263,862	



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

d) Futures

Interest Rate Futures

Particulars of contract	Maturity group	Long position		Short position	
		No. of contracts	No. of units	No. of contracts	No. of units
CBT 30D INT RT	< 1 month	130	541,710	-	-
CBT 10Y T-NOTE	2-3 months	2	2,000	-	-
CBT 30D INT RT	1-2 months	20	83,340	-	-
CBT 30D INT RT	1-2 months	-	-	130	541,710
CBT 30D INT RT	2-3 months	-	-	20	83,340
2-Year T-Note	2-3 months	-	-	4	8,000
EURX E-STXX50	2-3 months	-	-	10	100

e) Interest rate swaps

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



EC Global Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.3 Long-term provisions		
Compensated absence	22,028	-
	<u>22,028</u>	<u>-</u>
2.4 Short-term borrowings		
<u>Secured loans (Refer note 2.24)</u>		
- from banks [Variable interest rate loan calculated at cost of funding to the lender ranging from plus 0.70% p.a. to 0.85% p.a. (previous year: variable interest rate loan calculated at cost of funding to the lender plus 0.70% p.a.)]	223,279,076	680,028,437
- from others [Fixed rate loan with interest rates ranging from 2.0% p.a. to 2.6 % p.a. (previous year: Fixed rate loan with interest rates ranging from 1.5% p.a. to 2.15 % p.a.)]	2,337,055,456	247,573,037
<u>Unsecured Loans</u>		
Loans from related parties, repayable on demand (Fixed rate loan at 7.5% p.a.)	740,389,729	972,275,428
	<u>3,300,724,261</u>	<u>1,899,876,902</u>
2.5 Other current liabilities		
Interest accrued but not due on borrowings	17,878,561	4,496,015
Premium received on exchange traded options	-	55,064,625
Withholding tax	81,705	-
Accrued salaries and benefits	313,864	-
	<u>18,274,130</u>	<u>59,560,640</u>
2.6 Short-term provisions		
Provision for taxation (net of advance tax)	1,205,983	1,442,918
Provision for employee benefits		
- Compensated leave absences	5,954	-
	<u>1,211,937</u>	<u>1,442,918</u>



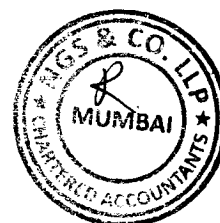
EC Global Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.7 Fixed assets

Description of assets	Gross block				Depreciation			Net block		
	As at 1 April 2017	Additions	Deductions/ Adjustments	As at 31 March 2018	As at 01 April 2017	For the year	Deductions/ Adjustments	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Tangible assets										
Office equipments	-	81,701	-	81,701	-	15,871	-	15,871	65,830	-
Computer	-	145,051	-	145,051	-	36,815	-	36,815	108,236	-
Total : A	-	226,752	-	226,752	-	52,686	-	52,686	174,066	-
Intangible assets										
Computer software	-	55,338	-	55,338	-	3,057	-	3,057	52,281	-
Total : B	-	55,338	-	55,338	-	3,057	-	3,057	52,281	-
Total : (A+B)	-	282,090	-	282,090	-	55,743	-	55,743	226,347	-
Previous year	-	-	-	-	-	-	-	-	-	-



EC Global Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.8 Non-current investments - at cost	No. of units	As at 31 March 2018 Par Value (*)	Amount	No. of units	As at 31 March 2017 Par Value (*)	Amount
Others (quoted)						
Bonds/ Debentures (**)						
3.25% Axis Bank Limited 21.05.2020	-	-	-	8,000	100	51,772,325
3.75% Industrial Development Bank of India 25.01.19	-	-	-	20,000	100	130,247,780
4.125% Syndicate Bank Limited 12.04.18 (#)	20,000	100	134,239,315	20,000	100	133,815,199
4.375% Industrial Development Bank Of India Limited, 26.03.2018	-	-	-	20,000	100	133,710,161
4.625% Indian Overseas Bank, 21.02.18	-	-	-	30,000	100	201,673,982
4.625% Union Bank Of India, 22.08.17	-	-	-	20,000	100	135,473,771
4.75% Syndicate Bank Limited, 06.11.2016	-	-	-	-	-	-
5% Indian Overseas Bank, 19.10.2016	-	-	-	-	-	-
5.00% Industrial Development Bank of India, 25.09.2019	-	-	-	20,000	100	135,720,158
Others (unquoted)						
Investments in shares of venture fund						
Blue River Capital LLC (#)	115.4	10,000	26,819,049	115.40	10,000	22,599,249
			<u>161,058,364</u>			<u>945,012,625</u>
Aggregate of quoted investment						
- At carrying value			134,239,315			922,413,376
- At market value			130,104,721			908,861,460
Aggregate of unquoted investment						
- At book value			26,819,049			22,599,249

(*) in USD

(**) Refer Note 2.24

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



EC Global Limited

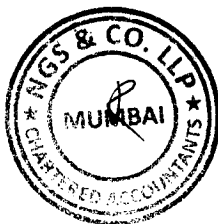
Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018			As at 31 March 2017		
	Quantity	Face Value (*)	Amount	Quantity	Face Value (*)	Amount
2.9 Current investments - at lower of cost and fair value						
Others (quoted)						
Bonds/ Debentures (**)						
4.625% Tata Motors Ltd 30.04.2020 Bonds	-	-	-	10,000	100	67,126,106
4.5% Union Bank Of India/Hong Kong 28.10.2019	-	-	-	23,000	100	154,057,486
4.625% Tata Motors Ltd 30.04.2020	20,000	100	131,282,410	-	-	-
3.25% UPL Corp Ltd 13.10.2021	2,000	100	12,965,631	-	-	-
3.25% Canara Bank London 10.08.2022	10,000	100	63,879,030	-	-	-
3.25% ICICI Bank Limited 09.09.2022	45,000	100	283,987,744	-	-	-
3.25% ICICI Bank Ltd Dubai Bond 9.9.2022	20,000	100	126,309,073	-	-	-
3.875% PWGRIN 17.01.2023	16,000	100	104,114,269	-	-	-
1.875% Korea Gas Corp Bond 18.07.2021	20,000	100	124,411,736	-	-	-
2% Korea Housing Finance Co Bond 11.10.2021	10,000	100	62,255,659	-	-	-
2.5% Korea Development Bank Bond 13.1.2021	10,000	100	63,886,965	-	-	-
2.875% Korea National Oil Corp Bond 27.03.2022	10,000	100	63,408,891	-	-	-
3.75% ONGCIN 07.05.2023	33,000	100	212,511,953	-	-	-
2.625% Korea East-West Power Co Bond 19.06.2022	20,000	100	125,735,448	-	-	-
3.068% Rural Electrification Bond 18.12.2020	20,000	100	128,679,345	-	-	-
3% Korea Southern Power Bond 29.01.2021	20,000	100	129,471,582	-	-	-
3.667% RIL 30.11.2027	4,500	100	27,644,784	-	-	-
2.75% HPHT Finance 11.09.2022	10,000	100	62,358,429	-	-	-
3.875% Baidu Inc Bond 29.09.2023	5,000	100	32,509,692	-	-	-
4.5% Uplin 08.03.2028	10,000	100	64,160,151	-	-	-
8.10% HDFC Bank Ltd. 22.03.2025	1,500,000	100	150,469,184	-	-	-
8.10% HDFC Bank Ltd. 22.03.2025	8,200,000	100	823,017,632	-	-	-
			<u>2,793,059,608</u>			<u>221,183,592</u>
Aggregate of quoted investment						
- At book value			2,793,059,608			221,183,592
- At market value			2,795,612,174			221,183,592

(*) in USD

(**) Refer Note 2.24

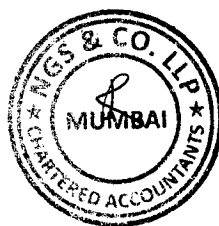


EC Global Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.10 Cash and cash equivalents		
Balances with banks		
- in current accounts	31,866,300	39,698,820
	<u>31,866,300</u>	<u>39,698,820</u>
2.11 Short-term loans and advances		
<u>(Unsecured, considered good)</u>		
Loans and advances to related parties	2,281,894,797	2,209,782,331
Other loans and advances		
- Prepaid expenses	61,792	210,726
Security deposits	44,218	-
	<u>2,282,000,807</u>	<u>2,209,993,057</u>
2.12 Other current assets		
Advance tax (net of provision for taxation)	6,416	6,395
Interest accrued but not due on loans given	131,170,852	21,008,408
Accrued interest on debt instruments	16,562,471	9,822,070
Margin money with brokers	625,004,253	957,084,561
Option premium paid	-	28,331,812
	<u>772,743,992</u>	<u>1,016,253,246</u>

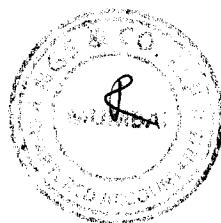


EC Global Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.13 Fee income		
Advisory and other fees	161,806,457	-
	<u>161,806,457</u>	<u>-</u>
2.14 Income from treasury operations		
Loss on trading of securities (net)	(1,565,611)	-
Loss on trading in equity derivative instruments (net)	-	(5,981,831)
(Loss) / profit from arbitrage and trading in currency derivatives (net)	(100,828,377)	905,964,196
Loss from arbitrage and trading in commodity derivatives (net)	(3,657,318)	(277,455,958)
Profit on trading in interest rate derivative (net)	25,910,983	24,409,010
Loss on trading in swaps (net)	(3,328,092)	(3,944,635)
Loss on sale of long term investments	(18,978,463)	(12,202,608)
Loss on sale and mark to market of current investment (net)	(51,703,861)	(10,257,991)
Gain / (Loss) on foreign exchange movement on trade (net)	13,811,325	(71,919,448)
	<u>(140,339,414)</u>	<u>548,610,735</u>
2.15 Interest income		
On debt instrument	94,004,406	75,030,401
On loan	180,417,756	138,489,369
On fixed deposits	-	5,221,085
On others	2,674,430	883,880
	<u>277,096,592</u>	<u>219,624,735</u>
2.16 Other operating income		
Foreign exchange gain/(loss) (net)	645,434	(509,282)
	<u>645,434</u>	<u>(509,282)</u>



EC Global Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.17 Employee benefit expenses		
Salaries and wages	1,878,632	-
Contribution to other funds	32,799	-
	<u>1,911,431</u>	<u>-</u>
2.18 Finance costs		
Interest on bank overdraft	-	7,664,855
Interest on loan from fellow subsidiary	55,595,960	44,168,539
Interest - others	43,026,411	16,564,326
Financial and bank charges	10,522,673	27,741,546
	<u>109,145,044</u>	<u>96,139,266</u>
2.19 Other expenses		
Accounting charges	438,062	335,369
Auditors' remuneration (refer note below)	1,971,647	1,678,670
Commission and brokerage	8,639,915	9,494,359
Communication expenses	54,650	-
Computer expenses	5,673	(89,145)
Computer software expenses	11,264	50,000
Directors fees	391,400	390,410
Insurance	2,329	-
Legal and professional fees	28,015,202	42,705,934
License fees	211,031	210,725
Postage and courier	2,029	-
Miscellaneous expenses	822,957	771,060
Rates and taxes	3,304	70,501
Registration charges	19,080	30,128
Rent expense	267,535	-
Office expense	15,592	-
Travelling and conveyance	49,388	-
	<u>40,921,058</u>	<u>55,648,011</u>
Note:		
Auditors' remuneration:		
As auditors	1,795,777	1,568,757
For reimbursement of expenses	175,870	109,913
	<u>1,971,647</u>	<u>1,678,670</u>



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.20 Segment Reporting

Primary Segment (Business Segment):

The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations and income from investments and dividend income
Agency business	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	For the year ended 31 March 2018	For the year ended 31 March 2017
I	Segment revenue		
	a) Capital based business	137,402,612	767,726,188
	b) Agency business	161,806,457	-
	c) Unallocated	-	-
	Total	299,209,069	767,726,188
II	Segment results		
	a) Capital based business	(9,431,350)	615,938,911
	b) Agency business	158,578,790	-
	c) Unallocated	(1,971,647)	-
	Total	147,175,793	615,938,911
	Profit before taxation	147,175,793	615,938,911
	Less : Provision for taxation	9,706,986	4,331,348
	Profit after taxation	137,468,807	611,607,563
III	Segment assets		
	a) Capital based business	6,040,921,946	4,432,141,340
	b) Agency business	27,057	-
	c) Unallocated	6,416	-
	Total	6,040,955,418	4,432,141,340
IV	Segment liabilities		
	a) Capital based business	3,338,753,782	2,030,681,099
	b) Agency business	2,238,996	-
	c) Unallocated	1,287,688	-
	Total	3,342,280,465	2,030,681,099
V	Capital expenditure (Including capital work-in-progress)		
	a) Capital based business	253,881	-
	b) Agency business	28,209	-
	c) Unallocated	-	-
	Total	282,090	-
VI	Depreciation and amortisation		
	a) Capital based business	50,169	-
	b) Agency business	5,574	-
	c) Unallocated	-	-
	Total	55,743	-
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	25,183	-
	b) Agency business	2,798	-
	c) Unallocated	-	-
	Total	27,981	-



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.2/ Disclosure as required by Accounting Standard 18 – "Related Party Disclosure" as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (Continued)

(C) Transactions with related parties :				
Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2018	For the year ended 31 March 2017
(I)	Capital account transactions during the year			
	Investment in preference shares of	Edelweiss India Capital Management	-	13,319,540
	Amount received on redemption of preference shares of	Edelweiss India Capital Management	-	16,209,650
	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)	EC International Limited	-	3,095,818,482
		Aster Commodities DMCC	354,795,368	23,880,543
		Edelweiss International (Singapore) Pte Limited	332,771,197	346,170,517
	Short term loans repaid to (Refer note below)	EC International Limited	-	3,095,818,482
		Aster Commodities DMCC	254,988,449	2,245,064,570
		Edelweiss International (Singapore) Pte Limited	332,771,197	-
	Short term loans given to (Refer note below)	EC International Limited	346,484,802	-
		Aster Commodities DMCC	-	3,773,876,445
		Edelweiss International (Singapore) Pte Limited	1,663,938	1,308,062,919
	Repayment of short term loans by (Refer note below)	EC International Limited	281,927,944	1,042,877,144
		Aster Commodities DMCC	-	3,773,876,445
		Edelweiss International (Singapore) Pte Limited	1,663,913	1,402,412,121
	Interest paid on loans taken from	EC International Limited	-	18,645,697
		Aster Commodities DMCC	53,866,148	25,454,553
		Edelweiss International (Singapore) Pte Limited	1,729,812	68,289
	Interest received on loans given to	EC International Limited	180,408,151	61,876,087
		Aster Commodities DMCC	-	27,000,996
		Edelweiss International (Singapore) Pte Limited	9,605	49,612,286
	Financial charges paid to	Edelweiss Financial Services Limited	10,117,740	27,426,728
	Reimbursement paid to	Edelcap Securities Limited	11,109	50,000
	Professional fees paid to	Edel Commodities Limited	3,251,205	2,711,550
		Aster Commodities DMCC	12,396,820	25,770,911
		Edelweiss Business Services Limited	6,523,300	-
		Edelweiss International (Singapore) Pte Limited	2,052,402	-
		EAAA LLC	-	5,835,474
		EW Special Opportunities Advisors LLC	-	2,593,544
		EW India Special Assets Advisors LLC	-	1,945,158
		Edelcap Securities Limited	-	50,000
	Net loss incurred on settlement of forward contracts entered with	Aster Commodities DMCC	-	277,455,752



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

(C) Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2016	For the year ended 31 March 2017
(III)	Balances with related parties			
	Short term borrowings from	Aster Commodities DMCC	740,389,729	637,708,389
		Edelweiss International (Singapore) Pte Limited	-	334,567,039
	Trade payables to	Aster Commodities DMCC	-	25,770,911
		Edel Commodities Limited	3,252,205	2,711,550
		Edelweiss Financial Services Limited	10,117,740	27,426,728
		Edelweiss Business Services Limited	2,753,839	-
		Edelweiss International (Singapore) Pte Limited	2,052,402	-
		EAAA LLC	-	5,835,474
		EW Special Opportunities Advisors LLC	-	2,593,544
		EW India Special Assets Advisors LLC	-	1,945,158
		Edelcap Securities Limited	-	50,000
	Interest accrued but not due on borrowings from	Aster Commodities DMCC	17,878,561	4,427,726
		Edelweiss International (Singapore) Pte Limited	-	68,289
	Accrued interest on loans given to	EC International Limited	131,160,583	21,008,408
	Short-term loans and advances given to	Edelweiss International (Singapore) Pte. Limited	-	-
		EC International Limited	2,281,894,797	2,209,782,331
(IV)	Others			
	Corporate guarantees given by	Edelweiss Financial Services Limited	-	97,257,900

Notes:

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



EC Global Limited

Notes to the financial statements (*continued*)

(Currency: Indian rupees)

2.23 Earnings per share

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Net amount attributable to ordinary shareholders (as per statement of profit and loss)	137,468,807	611,607,563
b) Calculation of weighted average number of ordinary shares of USD 1 each:		
– Number of shares at the beginning of the year	25,000	25,000
– shares issued during the year	24,75,000	-
Total number of ordinary shares outstanding at the end of the year	25,00,000	25,000
Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	24,25,411	25,000
c) Basic and diluted earnings per share (in rupees) (a/b)	56.68	24,464.30

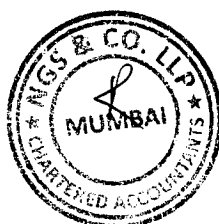
The basic and diluted earnings per share are the same as there are no dilutive potential ordinary shares.

- 2.24 The Company has pledged its investments in debt instruments against loans taken from banks and financial institution amounting to Rs. 2,560,334,532 against Debt instrument amounting to Rs. 2,927,298,923 as at 31 March 2018 (Previous year: Rs. 927,601,474 against Debt instrument of Rs. 1,143,596,968).

2.25 Capital commitments

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

The Fund has closed its investment period. The original term of the fund was to end on 31 October 2013. However, in accordance with the fund documents and with the consent of majority of the Class A share holders, the tenure of the fund has been extended to upto 31 October 2018.



EC Global Limited

Notes to the financial statements (*continued*)

(Currency: Indian rupees)

2.26 The liability of the parent company, EC International Limited, in the Company shall be limited to its equity or fund based commitment.

2.27 *Contingent liabilities*

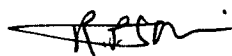
The Company has no contingent liabilities as at the balance sheet date (Previous year Rs. Nil).

2.28 *Previous year comparatives*

Previous year figures have been regrouped and rearranged whenever necessary.

As per our report of even date attached.

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

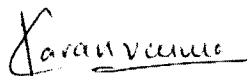


R. P. Soni
Partner
Membership No.: 104796

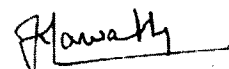
Mumbai
24 April 2018



For and on behalf of the Board of Directors



Karan Verma
Director



Kaneyalall Hawabhay
Director

24 April 2018