INDEPENDENT AUDITOR'S REPORT

To the Members of **Aster Commodities DMCC**

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **Aster Commodities DMCC** ("the Company"), which comprise the Balance sheet as at March 31, 2020, 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 then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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.

Other Information

This being a foreign company, the requirement regarding reporting on Other Information clause is not applicable to the Company.

Responsibility of Management for the Special Purpose Financial Statements

The Company's Board of Directors is responsible 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements 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.

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, 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. we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to special purpose financial statements in place and the operating effectiveness of such controls.

- 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 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.

- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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This report is issued at the request of the Company and is intended solely for the information and use of the Edelweiss Financial Services Limited ('Ultimate Holding Company' or 'EFSL'), for the purpose of presentation of its consolidated audited financial statements for the year ended March 31, 2020 and for the use of S.R. Batliboi & Co. LLP (the current statutory auditor of EFSL) in conjunction with the audit of consolidated financial statements and is not intended to be and should not be used for any other purpose.

Report on Other Legal and Regulatory Requirements

1. As required for the purpose of special purpose financial statements, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid special purpose financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these special purpose financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

   (f) As informed to us, the Company being an foreign company, the requirements for provision of section 197(16) of the Companies Act, 2013 are not applicable.

   (g) With respect to the other matters to be included in the Auditor's Report in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position; and

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

R.P. Soni
Partner
Membership No.: 104796

UDIN: 20104796AAABAQ7378

Place : Mumbai
Date : June 26, 2020

Annexure A
Report on the Internal Financial Controls

We have audited the internal financial controls over financial reporting of **Aster Commodities DMCC** ("the Company") as of March 31, 2020 in conjunction with our audit of the special purpose financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information,.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these special purpose financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these special purpose financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these special purpose financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these special purpose financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these special purpose financial statements.

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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these special purpose financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these special purpose financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Special purpose Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these special purpose financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these special purpose financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these special purpose financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these special purpose financial statements and such internal financial controls over financial reporting with reference to these special purpose financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R.P. Soni
Partner
Membership No.: 104796

UDIN: 20104796AAABAQ7378

Place : Mumbai
Date : June 26, 2020

Aster Commodities DMCC

Consolidated Financial Statements for the year ended 31 March 2020

Aster Commodities DMCC

Balance Sheet

(Currency : Indian rupees)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	7	**1,05,11,443**	42,82,355
Bank balances other than cash and cash equivalents	8	**-**	4,37,90,178
Loans	9	**45,85,35,641**	75,80,43,931
Other financial assets	10	**3,98,225**	3,29,612
		46,94,45,309	80,64,46,076
Non-financial assets			
Property, Plant and Equipment	11	**14,57,32,477**	14,16,37,534
Intangible assets	12	**-**	1,41,932
Other non- financial assets	13	**11,31,805**	3,37,61,530
		14,68,64,282	17,55,40,996
TOTAL ASSETS		**61,63,09,591**	98,19,87,072
LIABILITIES AND EQUITY			
Financial liabilities			
Trade payables		**25,65,105**	21,58,891
Other financial liabilities	14	**-**	4,40,41,457
		25,65,105	4,62,00,348
Non-financial liabilities			
Provisions	15	**16,18,852**	12,41,222
		16,18,852	12,41,222
Equity			
Equity share capital	16	**13,37,29,953**	13,37,29,953
Other equity		**47,83,95,681**	80,08,15,549
		61,21,25,634	93,45,45,502
TOTAL LIABILITIES AND EQUITY		**61,63,09,591**	98,19,87,072

Significant accounting policies and notes forming part of the financial statements — 1 to 33

This is the Balance sheet referred to in our report of even date attached

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

R. P. Soni
Partner
Membership No.: 104796

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Mumbai
June 26, 2020

For and on behalf of the Board of Directors

Vinod Kumar Soni
Director

June 26, 2020

أستر كوموديتيز م.د.م.س
P.O.Box 113741
Dubai, U.A.E.
ASTER COMMODITIES DMCC

Aster Commodities DMCC

Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	17	**18,20,530**	-
Other income	18	**31,96,556**	1,67,785
Total Revenue		**50,17,086**	1,67,785
Expenses			
Finance costs	19	**75,848**	1,23,838
Impairment on financial instruments	20	**1,71,895**	11,89,918
Employee benefits expense	21	**49,99,132**	49,02,161
Depreciation, amortisation and impairment	11 to 12	**82,72,163**	1,03,19,449
Other expenses	22	**41,64,401**	64,63,759
Total expenses		**1,76,83,439**	2,29,99,125
Profit before tax		**(1,26,66,353)**	(2,28,31,340)
Tax expenses		-	-
Profit/ (Loss) for the period		**(1,26,66,353)**	(2,28,31,340)
Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans (OCI)		**19,300**	7,04,338
Total		**19,300**	7,04,338
(b) Items that will be reclassified to profit or loss			
Foreign Exchange Translation Reserve - OCI		**8,31,16,532**	9,86,65,803
Total		**8,31,16,532**	9,86,65,803
Other Comprehensive Income (a+b)		**8,31,35,832**	9,93,70,141
Total Comprehensive Income		**7,04,69,479**	7,65,38,801
Earnings per equity share (for continuing operation:) (Face value of AED 1,000 each):			
Basic and Diluted	24	**(1,151.49)**	**(2,075.58)**
Significant accounting policies and notes forming part of the financial statements	1 to 33		

This is the statement of profit and loss referred to in our report of even date attached

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

R. P. Soni
Partner
Membership No.: 104796

Mumbai
June 26, 2020

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Vinod Kumar Soni
Director

June 26, 2020

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ASTER COMMODITIES DMCC

Aster Commodities DMCC

Cash Flow Statement

(Currency : Indian rupees)

		For the year ended March 31, 2020	For the year ended March 31, 2019
A	**Cash flow from operating activities**		
	Loss before tax	(1,26,66,353)	(2,28,31,340)
	Adjustments for		
	Impairment on financial instruments	1,71,882	11,89,918
	Depreciation and amortisation expenses	82,72,085	1,03,19,449
	Provision for employee benefits - Compensated Abscences	4,607	13,325
	Provision for employee benefits - Gratuity Expenses	2,64,946	3,04,579
	Interest income	(18,20,529)	-
	Profit/ Loss on write-off of fixed assets	-	(1,67,785)
	Operating cash flow before working capital changes	(57,73,362)	(1,11,71,854)
	Add / (Less): Adjustments for working capital changes		
	(Decrease) in other non-financial liabilities	-	(3,71,934)
	Increase/ (decrease) in trade payable	1,99,539	(33,20,13,843)
	(Increase)/ decrease in other financial assets	(36,704)	1,39,733
	Decrease/ (increase) in other non-financial assets	3,35,30,965	(24,42,842)
	Decrease/ (increase) in bank balances other than cash and cash equivalents	4,47,31,191	(29,55,379)
	(Decrease)/ increase in other financial liabilities	(4,51,28,803)	19,49,840
	Decrease in trade receivable	-	35,20,28,196
	Net cash generated from operating activities - A	2,75,22,826	51,61,917
B	**Cash flow from investing activities**		
	Sale of fixed assets	-	3,80,782
	Repayment received of loan given	34,54,64,647	51,57,73,574
	Interest received	19,60,657	1,78,89,193
	Net cash generated from investing activities - B	34,74,25,304	53,40,43,549
C	**Cash flow from financing activities**		
	Foreign exchange translation reserve	-	8,96,11,892
	Dividend paid	(36,94,01,138)	(69,40,67,367)
	Interest paid	-	-
	Net cash used in financing activities - C	(36,94,01,138)	(60,44,55,475)
D.	**Change in Foreign exchange translation reserve -D**	6,82,096	-
	Net decrease in cash and cash equivalents (A+B+C+D)	62,29,088	(6,52,50,009)
	Cash and cash equivalent as at the beginning of the year	42,82,355	6,95,32,364
	Cash and cash equivalent as at the end of the year (refer note 7)	1,05,11,443	42,82,355

Notes:

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

This is the Cash flow statement referred to in our report of even date attached

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

R. P. Soni
Partner
Membership No: 104796

Mumbai
June 26, 2020

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Vinod Kumar Soni
Director

June 26, 2020

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Dubai, U.A.E.
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Aster Commodities DMCC

Statement of changes in Equity

(Currency : Indian rupees)

(A) Equity share capital

Balance at the beginning of the reporting period (1 April 2018)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2019)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2020)
13,37,29,953	-	13,37,29,953	-	13,37,29,953

(B) Other Equity

	Reserves and Surplus			
Particulars	Exchange differences on translating the financial statements of a foreign operation	ESOP reserve	Retained earnings	Total
Balance at 1 April 2018	18,28,630	-	1,41,65,15,485	1,41,83,44,115
Other comprehensive income	9,86,65,803	-	7,04,338	9,93,70,141
Los for the Year	-	-	(2,28,31,340)	(2,28,31,340)
Total Comprehensive Income for the year	9,86,65,803.00	-	(2,21,27,002)	7,65,38,801
Dividend to equity shareholders	-	-	(69,40,67,367)	(69,40,67,367)
Balance at 31 March 2019 (Ind AS)	10,04,94,433	-	70,03,21,116	80,08,15,549
Profit / loss	-	-	(1,26,66,353)	(1,26,66,353)
Other comprehensive income	8,31,16,532	-	19,300	8,31,35,832
Total Comprehensive Income for the year	8,31,16,532	-	(1,26,47,053)	7,04,69,479
Dividend to equity shareholders	-	-	(39,28,89,347)	(39,28,89,347)
Balance at 31 March 2020 (Ind AS)	18,36,10,965	-	29,47,84,716	47,83,95,681

Notes:
Nature and Purpose of Reserves

(i) Foreign exchange translation reserve

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

(ii) Share Option Reserve

The share option reserve comprises the cumulative value of employee service received for the issue of options under the share plans of the ultimate holding company.

This is the Statement of Change in equity referred to in our report of even date attached

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

R. P. Soni
Partner
Membership No.: 104796

Mumbai
June 26, 2020

For and on behalf of the Board of Directors

Vinod Kumar Soni
Director

June 26, 2020

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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ASTER COMMODITIES DMCC

Aster Commodities DMCC

Notes to the financial statements
For the year ended 31 March 2020
(Currency: Indian rupees)

1. **Background**

Aster Commodities DMCC (the Comapany) was incorporated on 7 April 2009 and registered with Dubai Multi Commodities Centre Authority, Dubai on 13 April 2009 as a Limited Liability Company. The sole shareholder of the Company is EC International Limited incorporated in Mauritius. The registered office of the Company is located at Unit No. 46-1, ALmas Tower, Jumeriah Lake Towers, Dubai, U.A.E. and the principal place of business of the Company is located in Dubai.

The Company is principally engaged in trading of non-manufactured precious metal. During the previous year, the Company has surrendered its license of trading in the activities of basic nonferrous metal products, steel and basic steel products and trading of agriculture commodities.

The parent company of the Company is EC International Limited and ultimate parent company is Edelweiss Financial Services Limited which is incorporated in India.

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).

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 is translated at average exchange rate prevailing during the year. The exchange differences arising on translation are recognised in OCI and accumulated as a separate component of other equity.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The outbreak of COVID–19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian Government announced a 21 – days lockdown which was further extended till 31st May 2020 across the nation to contain the spread of the virus and still continues to be across many parts of the country in India. The pandemic and its consequent adverse effect on the economy also adversely impacted the financial markets

In preparing these financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments as at March 31, 2020 based on estimate of the future results and various internal and external information available up to the date of approval of these financial statements. The estimates as at the date of approval of these financial results may differ based on the ongoing impact of the pandemic and the timing of the improvement in the economy and the financial markets.

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ASTER COMMODITIES DMCC

Aster Commodities DMCC

Notes to the financial statements
For the year ended 31 March 2020
(Currency: Indian rupees)

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 33.

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 t being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

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

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

4. Significant accounting policies

4.1 Recognition of Interest 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).

4.2 Financial Instruments

4.2.1 Date of recognition

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

4.2.2 Initial measurement of financial instruments

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

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P.O.Box 113741 Dubai, U.A.E. ASTER COMMODITIES DMCC

4. Significant accounting policies (continued)

4.2 Financial Instruments (continued)

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.

Sale that occur for below reason are considered as consistent with business model whose objective is to hold financial assets in order to collect contractual cash flows

- if those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).
- If such sales are made close to maturity of financial asset and proceeds from sale approximate the collection of the remaining contractual cashflow
- Selling a financial asset because of significant increase in credit risk.

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4. Significant accounting policies (continued)

4.3.1 Classification of financial instruments (continued)

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.

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.

4.3.2 Financial liabilities

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

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4. Significant accounting policies (continued)

4.3.2.1 Other borrowed funds

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

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

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.

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 the company after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

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

4.4 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, such as a loan to a customer, 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.

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4. Significant accounting policies (continued)

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

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 Company 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.

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4. Significant accounting policies (continued)

4.6 Impairment of financial assets (continued)

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

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

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

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

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

4. Significant accounting policies (continued)

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.

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.

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4. Significant accounting policies (continued)

4.8 Determination of fair value (continued)

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 Operating leases

Accounting policy applicable from 1 April 2019

The Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.

Company as a lessee:

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract is or contains lease

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

4.10 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. Significant accounting policies (continued)

4.11 Foreign currency transactions

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

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

4.12 Retirement and other employee benefit

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

Gratuity
The Company's gratuity scheme is a defined benefit plan. Provision for employee's end of service benefits is made in accordance with U.A.E. Labour laws, and is based on current remuneration and periods of service at the end of the reporting period. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Re measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Re measurements are not reclassified to profit or loss in subsequent periods

Compensated Absences

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

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4. Significant accounting policies (continued)

4.13 Property, plant and equipment (continued)

Property plant and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

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

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Plant and Equipments	15 years
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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4. Significant accounting policies (continued)

4.13 Property, plant and equipment

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

4.14 Intangible assets

The Company's intangible assets mainly include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life.

4.15 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.

4.16 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.

4.17 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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5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

5.1 Critical judgements in applying accounting policies

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

5.1.1 Business model assessment

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

5.1.2 Significant increase in credit risk

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

5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the consolidated 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.

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

5.2.1 Fair value of financial instruments

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

5.2.2 Impairment of financial assets

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

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

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

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

5.2.3 Effective interest rate method

The Company 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 Standards issued but not yet effective

There are no new standard or amendment issued but not effective.

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Notes to the financial statements (Continued)

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	As at March 31, 2020	As at March 31, 2019
7 Cash and cash equivalents		
Cash in hand	**277**	-
Balances with banks		
- in current accounts	**1,05,11,166**	42,82,355
	1,05,11,443	42,82,355

8 Bank balances other than cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019
Short term deposits with banks	-	4,36,53,426
Accrued interest on short term fixed deposits	-	1,36,752
	-	4,37,90,178

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		As at March 31, 2020	As at March 31, 2019
9	**Loans and advances**		
	Unsecured Loans,at amortised cost, outside India		
	Loan & Advances to EC Global Limited	**12,96,63,007**	23,82,94,034
	Loan & Advances to Edelweiss Capital Singapore Pte. Ltd	**32,90,55,458**	51,97,49,897
	Total Gross	**45,87,18,465**	75,80,43,931
	Less: Provision for expected credit loss on loans	**(1,82,824)**	-
		45,85,35,641	75,80,43,931

Loans and advances to related parties includes, Loans to EC Global Rs 129,663,007 (31 March 2019: Rs. 238,294,034) is unsecured and repayable on demand. It bears an interest rate of Nil for 31 March 2020 is NIL (31 March 2019: Nil).The loan being short term in nature, approximates its fair value

Loans and advances to related parties includes, Loans to Edelweiss Capital Singapore Pte. Ltd Rs 329,055,458 (31 March 2019: Rs 519,749,897) is unsecured and repayable on demand. It is non-interest bearing loan. The loan being short term in nature approximates its fair value.

10	**Other financial assets**		
	Unsecured, considered good		
	Deposits- others	**3,98,225**	3,29,612
		3,98,225	3,29,612

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Notes to the financial statements (Continued)

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11 Property, Plant and Equipment

Description of Assets	Gross Block: As at 01 April 2019	Gross Block: Additions during the year	Gross Block: Deductions during the year	Gross Block: Foreign exchange adjustments	Gross Block: As at 31 March 2020	Depreciation: As at 01 April 2019	Depreciation: Charge for the year	Depreciation: Deductions during the year	Depreciation: Foreign exchange adjustments	Depreciation: As at 31 March 2020	Net Block: As at 31 March 2020
Property, Plant and Equipment											
Office Building	14,21,43,463	-	-	1,27,70,664	15,49,14,127	1,38,58,970	55,48,977	-	15,97,951	2,10,05,898	13,39,08,228
Leasehold Improvement	50,42,305	-	-	4,53,029	54,95,334	4,91,634	2,33,790	-	59,046	7,84,470	47,10,864
Plant & Machinery	13,31,568	-	-	1,19,633	14,51,201	4,51,559	1,69,135	-	51,357	6,72,051	7,79,150
Furniture & Fixture	1,39,06,638	-	-	12,49,467	1,51,56,105	63,35,432	20,14,203	-	6,97,317	90,46,952	61,09,154
Motor Car	32,801	-		2,941	35,742	17,395	4,981		1,856	24,232	11,510
Office Equipment	4,90,935	-	-	44,090	5,35,025	4,15,520	36,613	-	39,671	4,91,804	43,222
Computer Hardware	11,65,812	-	-	1,17,935	12,83,747	9,05,478	1,19,001	-	88,919	11,13,398	1,70,349
Total	**16,41,13,522**	**-**	**-**	**1,47,57,759**	**17,88,71,281**	**2,24,75,988**	**81,26,700**	**-**	**25,36,117**	**3,31,38,805**	**14,57,32,477**

12 Other Intangible Assets

Description of Assets	Gross Block: As at 01 April 2019	Gross Block: Additions during the year	Gross Block: Deductions during the year	Gross Block: Foreign exchange adjustments	Gross Block: As at 31 March 2020	Depreciation: As at 01 April 2019	Depreciation: Charge for the year	Depreciation: Deductions during the year	Depreciation: Foreign exchange adjustments	Depreciation: As at 31 March 2020	Net Block: As at 31 March 2020
Other Intangible Assets											
Software License	3,19,374	-	-	28,694	3,48,068	-	1,45,463	-	2,02,612	3,48,075	-
Total	**3,19,374**	**-**	**-**	**28,694**	**3,48,068**	**-**	**1,45,463**	**-**	**2,02,612**	**3,48,075**	**-**

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11 Property, Plant and Equipment

Description of Assets	Gross Block: As at 01 April 2018	Gross Block: Additions during the year	Gross Block: Deductions during the year	Gross Block: Foreign exchange adjustments	Gross Block: As at 31 March 2019	Depreciation: As at 01 April 2018	Depreciation: Charge for the year	Depreciation: Deductions during the year	Depreciation: Foreign exchange adjustments	Depreciation: As at 31 March 2019	Net Block: As at 31 March 2019
Property, Plant and Equipment											
Building	13,36,62,280	-	-	84,81,183	14,21,43,463	66,83,113	68,23,949	-	3,51,908	1,38,58,970	12,82,84,493
Leasehold improvements	47,41,450	-	-	3,00,855	50,42,305	2,37,073	2,42,068	-	12,493	4,91,634	45,50,671
Furniture and Fixtures	1,30,76,881	-	-	8,29,757	1,39,06,638	34,70,008	26,73,463	-	1,91,961	63,35,432	75,71,206
Vehicles	3,24,000	-	3,15,088	23,889	32,801	1,02,781	9,207	1,02,091	7,498	17,395	15,406
Office equipment	4,61,643	-	-	29,292	4,90,935	3,24,908	70,759	-	19,853	4,15,520	75,415
Computers	10,96,252	-	-	69,560	11,65,812	6,43,408	2,23,629	-	38,441	9,05,478	2,60,334
Total	**15,46,14,624**	**-**	**3,15,088**	**98,13,986**	**16,41,13,522**	**1,16,95,505**	**1,02,47,722**	**1,02,091**	**6,34,852**	**2,24,75,988**	**14,16,37,534**

12 Other Intangible Assets

Description of Assets	Gross Block: As at 01 April 2018	Gross Block: Additions during the year	Gross Block: Deductions during the year	Gross Block: Foreign exchange adjustments	Gross Block: As at 31 March 2019	Depreciation: As at 01 April 2018	Depreciation: Charge for the year	Depreciation: Deductions during the year	Depreciation: Foreign exchange adjustments	Depreciation: As at 31 March 2019	Net Block: As at 31 March 2019
Other Intangible Assets											
Software	3,00,326	-	-	19,048	3,19,374	1,00,129.00	71,727	-	5,586	1,77,442	1,41,932
Total	**3,00,326**	**-**	**-**	**19,048**	**3,19,374**	**1,00,129**	**71,727**	**-**	**5,586**	**1,77,442**	**1,41,932**

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	As at March 31, 2020	As at March 31, 2019
13 Other non-financial assets		
(Unsecured Considered good, unless stated otherwise)		
Input tax credit	**4,11,983**	1,98,899
Advances to others	**-**	1,304
Prepaid expenses	**6,44,429**	3,18,951
Vendor Advances	**75,393**	3,32,42,376
	11,31,805	3,37,61,530
14 Other financial liabilities		
Accrued salaries and benefits	**-**	9,41,747
Others	**-**	4,30,99,710
	-	4,40,41,457
15 Provisions		
Provision for employee benefits		
Gratuity	**15,13,404**	11,48,931
Compensated leave absences	**1,05,448**	92,291
	16,18,852	12,41,222

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	As at March 31, 2020	As at March 31, 2019
16 Equity share capital		
16.1 Authorised :		
11,000 (Previous year: 11,000) Ordinary shares of AED 1,000 each	**13,37,29,953**	13,37,29,953
	13,37,29,953	13,37,29,953
Issued, Subscribed and Paid up:		
11,000 (Previous year: 11,000) Ordinary shares of AED 1,000 each, fully paid-up	**13,37,29,953**	13,37,29,953
	13,37,29,953	13,37,29,953

16.2 Movement in share capital :

Particulars	March 31, 2020 No of shares	March 31, 2020 Amount	March 31, 2019 No of shares	March 31, 2019 Amount
Outstanding at the beginning of the year	**11,000**	**13,37,29,953**	11,000	13,37,29,953
Shares issued during the year	**-**	**-**	-	-
Outstanding at the end of the year	**11,000**	**13,37,29,953**	11,000	13,37,29,953

16.3 Terms/rights attached to equity shares :

The Company has only one class of ordinary shares having a par value of AED 1,000 each. Each holder of ordinary shares is entitled to one vote per share. 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.The distribution will be in proportion to the number of ordinary shares held by the shareholders.

16.4 Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

Particulars	March 31, 2020 No of shares	March 31, 2020 %	March 31, 2019 No of shares	March 31, 2019 %
Ordinary shares				
EC International Limited, the holding company	**11,000**	**100%**	11,000	100%
	11,000	**100%**	11,000	100%

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(Currency : Indian rupees)	**for the year ended March 31, 2020**	for the year ended March 31, 2019
17 Interest Income		
On financial assets measured at amortised cost		
Interest income on fixed deposits	**18,20,530**	-
	18,20,530	-
18 Other income		
Profit on sale of fixed assets (net)	-	1,67,785
Miscellaneous Income	**31,96,556**	-
	31,96,556	1,67,785

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Notes to the financial statements (Continued)

(Currency : Indian rupees)

		for the year ended March 31, 2020	for the year ended March 31, 2019
19	**Finance costs**		
	On financial liabilities measured at amortised cost		
	Financial and bank charges	**75,848**	1,23,838
		75,848	1,23,838

20	**Impairment on financial instruments**		
	Bad- debts and advances written off	-	11,89,918
	Provision for non performing assets	**1,71,895**	-
		1,71,895	11,89,918

21	**Employee benefit expenses**		
	Salaries and wages	**46,16,047**	2,04,650
	Staff welfare expenses	**3,83,085**	3,73,135
	Gratuity Expense	-	43,24,376
		49,99,132	49,02,161

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		for the year ended March 31, 2020	for the year ended March 31, 2019
22	**Other expenses**		
	Auditors' remuneration (refer note below)	-	3,04,579
	Commission and brokerage	-	(7,59,645)
	Communication	-	77,375
	Electricity charges	14,487	14,579
	Foreign exchange loss (net)	(52,049)	29,55,894
	Legal and professional fees	4,73,061	7,60,681
	Membership and subscription	3,91,500	3,82,007
	Office expenses	740	761
	Postage and courier	19,300	23,224
	Rent	30,146	-
	Repairs and maintenance	31,51,740	26,92,949
	Travelling and conveyance	1,23,414	11,355
	Miscellaneous expenses	12,062	-
		41,64,401	64,63,759

Auditors' remuneration:		
As Auditors	-	3,04,579
	-	3,04,579

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23 Income tax disclosures

The entity is not subject to any corporate tax as the Entity incorporated in United Arab Emirates which doest not levy any corporate income tax

24 Earning per share

Particulars		For the year ended March 31, 2020	For the year ended March 31, 2019
a) Shareholders earnings (as per statement of profit and loss)	(a)	(1,26,66,353)	(2,28,31,340)
b) Calculation of weighted average number of equity shares of AED 1,000 each:			
– Number of shares at the beginning of the year		11,000	11,000
– Number of shares issued during the year		-	-
Total number of equity shares outstanding at the end of the year		11,000	11,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	(b)	11,000	11,000
c) Number of dilutive potential equity shares	(c)	-	-
d) Basic earnings per share (in INR)	(a/b)	(1,151)	(2,076)
e) Diluted earnings per share (in INR)	a/(b+c)	(1,151)	(2,076)

25 Segment Information

The Company has operated only in one business segment during the year viz. capital based business comprising of granting of loans. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Further, there are no geographical segments. Hence, no disclosures are required under Segment Reporting.

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Notes to the financial statements (Continued)

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26 Retirement benefit plan -Pending

The following tables summarize the components of the net benefit expenses recognised in the statement of profit and loss and the funded and unfunded status and amount recognised in the balance sheet for the gratuity benefit plan.

26.1 Expenses recognised in the statement of profit and loss:

Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
Current service cost	2,06,000	1,81,000
Interest cost	80,000	1,06,000
Exchange rate adjustment	1,02,000	18,000
Total included in 'Employee Benefit Expenses'	3,88,000	3,05,000

26.2 Net (liability) / Assets recognised in the Balance Sheet

Particulars	As at March 31, 2020	As at March 31, 2019
Current service cost	15,14,000	11,48,831
Fair value of plan assets	-	-
Net (liability) / assets recognised in the balance sheet	15,14,000	11,48,831

26.3 Reconciliation of Defined benefit obligation:

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of DBO at start of the year	11,45,000	14,71,000
Transfer In/(Out)	-	(16,000)
Interest cost	80,000	1,06,000
Current service cost	2,06,000	1,81,000
Benefits Paid	-	-
Past service cost	-	-
Exchange rate adjustment	1,02,000	93,831
Actuarial (gain)/loss on obligations:	(19,000)	(6,87,000)
Present value of DBO at the end of the year	15,14,000	11,48,831

26.4 Experience Adjustment:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	15,14,000	11,48,831	14,71,000	1,37,61,000	1,38,93,000
Fair value of plan assets	-	-	-	-	-
Surplus / (deficit)	(15,14,000)	(15,14,000)	(14,71,000)	(1,37,61,000)	(1,38,93,000)
Experience adjustment on plan liabilities: (gain)/loss	(19,000)	(7,08,000)	(1,04,39,000)	71,000	3,16,000
Experience adjustment on plan assets: (gain)/loss	-	-	-	-	-

26.5 Principal actuarial assumptions at the balance sheet date:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest rate	7 % p.a.	7.3% p.a.
Salary escalation	7% p.a.	7% p.a.
Employee attrition rate	13% to 25%	13% to 25%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working lives of employees	4 years	4 years

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27 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.

	March 31, 2020			March 31, 2019		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial assets						
Cash and cash equivalents	1,05,11,443	-	1,05,11,443	4,80,72,533	-	4,80,72,533
Trade receivables	-	-	-	-	-	-
Loans	45,85,35,641	-	45,85,35,641	75,80,43,931	-	75,80,43,931
Other financial assets	39,002	3,59,223	3,98,225	3,29,612	-	3,29,612
Non-financial assets						
Property, plant and equipment	11,65,92,933	2,91,39,544	14,57,32,477	-	14,16,37,534	14,16,37,534
Other intangible assets	-	-	-	-	1,41,932	1,41,932
Other non-financial assets	11,31,805		11,31,805	3,37,61,530		3,37,61,530
Total assets (A)	**58,68,10,824**	**2,94,98,767**	**61,63,09,591**	**84,02,07,606**	**14,17,79,466**	**98,19,87,072**

	March 31, 2020			March 31, 2019		
Particulars	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial liabilities						
Trade payable	25,65,105	-	25,65,105	21,58,891	-	21,58,891
Borrowing (other than debt securities)	-	-	-		-	-
Other financial liabilities	-	-	-	4,40,41,457	-	4,40,41,457
Non-financial liabilities						
Provisions	15,13,404	1,05,448	16,18,852	2,26,019	10,15,203	12,41,222
Other non-financial liabilities	-	-	-	-	-	-
Total liabilities (B)	**40,78,509**	**1,05,448**	**41,83,957**	**4,64,26,367**	**10,15,203**	**4,74,41,570**
Net (A-B)	**58,27,32,315**	**2,93,93,319**	**61,21,25,634**	**79,37,81,239**	**14,07,64,263**	**93,45,45,502**

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28 Change in liabilities arising from financing activities

There will be no change in liabilities in financial year 2019-2020 as there are no borrowing outstanding as at 31-March-2020 and 31-March-2019

29 Contingent liabilities and commitments:

There is no contingent liabilities, commitment (Estimated amount of contracts remaining to be executed on capital account and not provided) as at 31-March-2020 and 31-March-2019 .

30 Capital management :

The Entity manages its capital to ensure that the Entity will be able to continue as a going concern while providing maximum return to stakeholders through the optimisation of the debt and equity balance and to maintain an optimal capital structure to reduce the cost of capital. The Entity's overall strategy on capital risk management remains unchanged from the previous year.

The capital structure of the Entity consists of equity funds as presented in the statement of financial position, together with loan from shareholder. Debt comprises total amounts owing to third parties, net of cash and cash equivalents.

31 Risk Management:

The company has operations in UAE. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

31.1 Credit Risk

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 financial institutions.Trade receivables largely comprise of receivables from Group Companies.

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31.1.1 Analysis of risk concentration

Following table shows the risk concentration by the industry for the components of the balance sheet

Industry analysis - Risk concentration for 31 March 2020

Particulars	As at March 31, 2020 Financial services	As at March 31, 2020 Others	As at March 31, 2019 Financial services	As at March 31, 2019 Others
Financial assets				
Cash and cash equivalent and other bank balances	1,05,11,443	-	4,80,72,533	
Trade and otherreceivables	-	-	-	
Other financial assets	-	3,98,225	-	3,29,612
Loans	45,85,35,641	-	75,80,43,931	
	46,90,47,084	3,98,225	80,61,16,464	3,29,612
Other Commitments	-	-	-	-
Total	46,90,47,084	3,98,225	80,61,16,464	3,29,612

31.1.2 Collateral held and other credit enhancements

The table below shows the maximum exposure to credit risk by class of financial asset. The carrying amounts of financial assets represent the Company's maximum exposure to credit risk, before taking into account any collateral held.

Particulars	As at March 31, 2020	As at March 31, 2019
Financial assets		
Cash and cash equivalentand other bank balances	1,05,11,443	4,80,72,533
Other financial assets	3,98,225	3,29,612
Loans	45,85,35,641	75,80,43,931
Total	46,94,45,309	80,64,46,076

The company does not hold any collateral in respect of above financial assets

The Company's cash and cash equivalents are held with reputed financial institutions.

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31.2 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.

31.2.1 **Analysis of non-derivative financial liabilities by remaining contractual maturities**

A The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial liabilities as at 31 March.
Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at 31 March 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables		-			25,65,105						25,65,105
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-
Total undiscounted non-derivative financial liabilities	-	-	-	-	25,65,105	-	-	-	-	-	25,65,105

As at 31 March 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	21,58,891	-	-	-	-	-	21,58,891
Other financial liabilities	-	-	-	-	4,40,41,457	-	-	-	-	-	4,40,41,457
Total undiscounted non-derivative financial liabilities	-	-	-	-	4,62,00,348	-	-	-	-	-	4,62,00,348

B **Analysis of non-derivative financial assets by remaining contractual maturities**

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

As at 31 March 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3	3 months to 6	6 months to 1 year	1 year to 3	3 years to 5	Over 5	Total
Cash and cash equivalent and other bank balances	1,05,11,443	-	-	-	-	-	-	-	-	-	1,05,11,443
Loans group	45,85,35,641	-	-	-	-	-	-	-	-	-	45,85,35,641
Other financial assets	-	-	-	-	-	-	39,002	3,59,223	-	-	3,98,225
Total	46,90,47,084	-	-	-	-	-	39,002	3,59,223	-	-	46,94,45,309

As at 31 March 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	42,82,355		-	-	-	-	4,37,90,178	-	-	-	4,80,72,533
Trade receivables	-	-	-	-	-	-	-	-	-	-	-
Loans	75,80,43,931	-	-	-	-	-	-	-	-	-	75,80,43,931
Other financial assets	-	-	-	-	-	3,29,612	-	-	-	-	3,29,612
Total	76,23,26,286	-	-	-	-	3,29,612	4,37,90,178	-	-	-	80,64,46,076

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31.2.2 Disclosure related to collateral

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

As at March 31, 2020	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	1,05,11,443	1,05,11,443
loans	-	-	-	45,85,35,641	45,85,35,641
Property, Plant and Equipment	-	-	-	14,57,32,477	14,57,32,477
Other financial assets	-	-	-	3,98,225	3,98,225
Total assets	**-**	**-**	**-**	**61,51,77,786**	**61,51,77,786**

As at March 31, 2019	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	4,80,72,533	4,80,72,533
Trade receivables	-	-	-	-	-
loans	-	-	-	75,80,43,931	75,80,43,931
Property, Plant and Equipment	-	-	12,82,84,493	1,33,53,041	14,16,37,534
Other financial assets	-	-		3,29,612	3,29,612
Total assets	**-**	**-**	**12,82,84,493**	**81,97,99,117**	**94,80,83,610**

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

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

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CHARTERED ACCOUNTANTS

(Currency : Indian rupees)

31.3 Total market risk exposure

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 entity classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately.

	March 31, 2020			March 31, 2019		
Particulars	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Carrying amount**	**Traded risk**	**Non-traded risk**
Assets						
Cash and cash equivalent and other bank balances	1,05,11,443	-	1,05,11,443	4,80,72,533	-	4,80,72,533
Loans to group companies	45,85,35,641	-	45,85,35,641	75,80,43,931	-	75,80,43,931
Other financial assets	3,98,225	-	3,98,225	3,29,612	-	3,29,612
Total	**46,94,45,309**	**-**	**46,94,45,309**	**80,64,46,076**	**-**	**80,64,46,076**
Liability						
Trade payable	25,65,105	-	25,65,105	21,58,891	-	21,58,891
Other financial liabilities	-	-	-	4,40,41,457	-	4,40,41,457
Total	**25,65,105**	**-**	**25,65,105**	**4,62,00,348**	**-**	**4,62,00,348**

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Notes to the financial statements (Continued)

(Currency : Indian rupees)

31.3.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The Company does not have any Financial instruments with variable rate of interest.

31.3.2 (ii) Currency risk

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

The table below indicates the currencies to which the entity had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against AED (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non–trading monetary assets and liabilities)

2019-20						
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
AED	5	(16,430)	-	5	16,430	-

2018-19						
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
AED	5	(53,562)	-	5	53,562	-

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Notes to the financial statements (Continued)

(Currency : Indian rupees)

32. Related party disclosures

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

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

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

EC Global Limited
Edelweiss Rural & Corporate Services Limited (*)
Edelweiss Capital (Singapore) Pte. Limited

(C) Names of key managerial personnel

Vinod kumar Soni

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

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Notes to the financial statements (Continued)
(Currency: Indian rupees)

32. Related party disclosures (continued)

(D) Transactions with related parties :

Nature of transaction	Related party name	For the year ended March 31,2020	For the year ended March 31,2019
Current account transactions			
Short term loans given to	EC Global Limited	25,97,71,827	10,10,62,612
	Edelweiss Capital (Singapore) Pte. Limited	7,10,20,413	75,56,35,337
Short term loans repaid by	EC Global Limited	38,20,37,815	67,49,86,849
	Edelweiss Capital (Singapore) Pte. Limited	29,42,19,060	80,37,22,174
Final / Proposed Dividend	EC International	39,28,89,347	69,40,67,367
Group Professional Fee	Edelweiss Financial Services Limited	740	-
	Edelweiss Rural & Corporate Services limited*		2,83,486
Other reimbursement paid to	Edelweiss International (Singapore) Pte. Limited DMCC Branch	-	18,835
Remuneration paid to	Vinod kumar soni	53,11,540	53,54,991
Impairment on financial instrument	EC Global Limited	1,71,895	-

(E) Balances with related parties

Nature of transaction	Related party name	For the year ended March 31,2020	For the year ended March 31,2019
Short-term loans and advances given to	Edelweiss Capital (Singapore) Pte. Limited	32,90,55,458	51,97,49,897
	EC Global Limited	12,96,63,007	23,82,94,034
Trade payables to	Edelweiss Financial Services Limited	-	-
	Edelweiss Rural & Corporate Services limited*	-	1,13,095
	Edelweiss International (Singapore) Pte. Limited DMCC Branch	-	18,835

Note :

i) Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.

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Notes to the financial statements (Continued)

(Currency : Indian rupees)

33. Operating lease Commitments

The Company has taken a premises on operating lease. Gross Rental expense (Net of reimbursement) for the year 31 march 2020 aggregated to Rs.30,146 which has been included under the head of other expense-Rent in statement of profit and loss.

Details of future Minimum Lease Payment for the non cancellable operating lease are as follows

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	3,31,360	-

As per our report of even date attached.

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

R. P. Soni
Partner
Membership No.: 104796

Mumbai
June 26, 2020

For and on behalf of the Board of Directors

Vinod Kumar Soni
Director

June 26, 2020