

EC Global Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2016

Independent Auditors' Report

To the Directors of
EC Global Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **EC Global Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

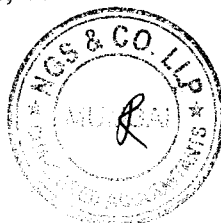
The Company's Board of Directors is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company. This responsibility also includes maintenance of adequate accounting records for safeguarding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

Auditor's Responsibility

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

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

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



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

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



R.P.Soni
Partner
Membership No. 104796
Place: Mumbai
Date: 11 May 2016



EC Global Limited

Balance Sheet

(Currency: Indian rupees)

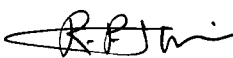
	Note	As at 31 March 2016	As at 31 March 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,104,840	1,104,840
Reserves and surplus	2.2	1,788,747,838	1,482,172,322
		<u>1,789,852,678</u>	<u>1,483,277,162</u>
Current liabilities			
Short-term borrowings	2.3	4,354,993,391	9,555,753,746
Trade payables		45,257,327	232,319,520
Other current liabilities	2.4	455,621,689	315,232,850
Short-term provisions	2.5	3,930,580	7,779,287
		<u>4,859,802,987</u>	<u>10,111,085,403</u>
TOTAL		<u><u>6,649,655,665</u></u>	<u><u>11,594,362,565</u></u>
ASSETS			
Non-current assets			
Non-current investments	2.6	1,347,071,699	33,819,512
Long-term loans and advances	2.7	-	6,260
		<u>1,347,071,699</u>	<u>33,825,772</u>
Current assets			
Current investments	2.8	648,882,026	7,663,637,425
Stock-in-trade	2.9	-	5,957,400
Cash and cash equivalents	2.10	6,769,951	87,793,804
Short-term loans and advances	2.11	3,385,135,406	2,069,335,581
Other current assets	2.12	1,261,796,583	1,733,812,583
		<u>5,302,583,966</u>	<u>11,560,536,793</u>
TOTAL		<u><u>6,649,655,665</u></u>	<u><u>11,594,362,565</u></u>

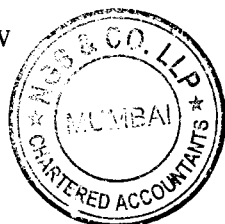
Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

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


R. P. Soni
Partner
Membership No.: 104796



Mumbai
11 May 2016

For and on behalf of the Board of Directors


Udit Sureka
Director


Vishal Goradia
Director

11 May 2016

11 May 2016

EC Global Limited

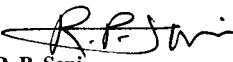
Statement of Profit and Loss

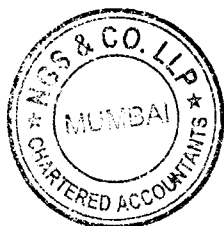
(Currency: Indian rupees)

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Fee income	2.13	-	23,980,041
Income from treasury operations	2.14	37,044,697	1,118,957,411
Interest income	2.15	488,159,897	368,990,491
Other operating revenue	2.16	923,555	806,560
Total revenue		526,128,149	1,512,734,503
Expenses			
Employee benefit expenses	2.17	400,419	385,904
Finance costs	2.18	195,047,234	141,950,327
Other expenses	2.19	13,914,431	14,020,174
Total expenses		209,362,084	156,356,405
Profit before tax		316,766,065	1,356,378,098
Tax expense			
Current tax		10,190,549	9,833,015
Profit for the year		306,575,516	1,346,545,083
Earnings per equity share:			
Basic and diluted (face value USD 1 each)	2.23	12,263.02	53,861.80
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.


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


R. P. Soni
Partner
Membership No.: 104796



Mumbai
11 May 2016

For and on behalf of the Board of Directors


Udit Sureka
Director


Vishal Goradia
Director

11 May 2016

11 May 2016

EC Global Limited

Cash Flow Statement

(Currency: Indian rupees)

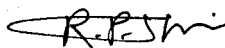
	For the year ended 31 March 2016	For the year ended 31 March 2015
A Cash flow from operating activities		
Profit before taxation	316,766,065	1,356,378,098
<i>Adjustments for:</i>		
Profit on sale of current investments	225,943,598	92,653,958
Interest income	(487,989,824)	(368,990,491)
Interest expense	124,320,931	141,950,327
Operating cash flow before working capital changes	179,040,770	1,221,991,892
<i>Add / (less): Adjustments for working capital changes</i>		
Decrease in trade receivables	-	1,034,557,957
Decrease in stock-in-trade	5,957,400	38,709,488
Decrease / (increase) in other assets	401,869,354	(891,103,116)
Increase in other current liabilities	144,880,562	15,121,825
(Decrease) / increase in trade payables	(187,062,193)	133,805,326
Cash generated from operations	544,685,893	1,553,083,372
Income taxes paid	(14,032,996)	(5,454,664)
Net cash generated from operating activities - A	530,652,897	1,547,628,708
B Cash flow from investing activities		
Distributions received from long term investment in venture fund	7,382,786	6,243,748
Purchase of current investments	(904,066,368)	(5,585,503,238)
Sale of current investments	6,372,243,165	8,398,914,881
Loans and advances given (net) (refer note 1)	(1,315,799,825)	(2,069,335,581)
Interest received	558,306,543	355,008,865
Net cash generated from investing activities - B	4,718,066,301	1,105,328,675
C Cash flow from financing activities		
Redemption of preference share capital	-	(1,862,192,303)
Repayment of short term borrowings (net) (refer note 1)	(5,200,760,355)	(566,226,168)
Interest paid	(199,538,957)	(139,536,260)
Net cash used in financing activities - C	(5,400,299,312)	(2,567,954,731)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(151,580,114)	85,002,652
Cash and cash equivalents as at the beginning of the year	87,793,804	2,791,152
Cash and cash equivalents as at the end of the year (refer note 2.10)	6,769,951	87,793,804

Notes:

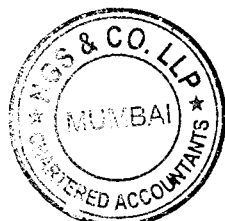
1 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

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


R. P. Soni
Partner
Membership No.: 104796

Mumbai
11 May 2016



For and on behalf of the Board of Directors


Udit Sireka
Director

11 May 2016


Vishal Goradia
Director

11 May 2016

EC Global Limited

Notes to the financial statements

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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

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

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

1.2 Use of estimates

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

1.3 Current/non-current classification

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

Assets

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

Liabilities

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



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

1. Significant accounting policies (continued)

1.4 Revenue recognition

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

1.5 Impairment of assets

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

1.6 Stock-in-trade

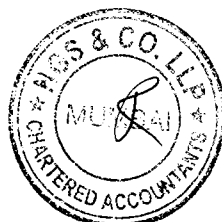
- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade under current assets are valued at lower of weighted average cost or market value.

1.7 Investments

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

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

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



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

1. Significant accounting policies (continued)

1.8 Taxation

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

Current Tax

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

Deferred taxation

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

1.9 Earnings per share

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

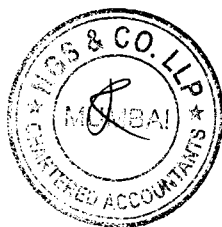
Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the ordinary shareholders for the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

1.10 Provisions and contingent liabilities

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

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

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



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2016		As at 31 March 2015	
2.1 Share capital				
(a) Issued, subscribed and paid up:				
25,000 (Previous year: 25,000) ordinary shares of USD 1 each, fully paid up		1,104,840		1,104,840
		<u>1,104,840</u>		<u>1,104,840</u>
(b) Movement in share capital				
(i) Ordinary shares				
	31 March 2016		31 March 2015	
	No of shares	Amount	No of shares	Amount
Outstanding as at the beginning of the year	25,000	1,104,840	25,000	1,104,840
Shares issued during the year	-	-	-	-
Outstanding as at the end of the year	<u>25,000</u>	<u>1,104,840</u>	<u>25,000</u>	<u>1,104,840</u>
(ii) Preference shares				
	31 March 2016		31 March 2015	
	No of shares	Amount	No of shares	Amount
Outstanding as at the beginning of the year	-	-	30,985,000	1,862,192,303
Shares issued during the year	-	-	-	-
Shares redeemed during the year	-	-	30,985,000	1,862,192,303
Outstanding as at the end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(c) Details and terms/rights attached to ordinary shares:				
The entire ordinary share capital is held by Edelweiss Finance and Investments Limited, the holding company, which is in turn a wholly owned subsidiary of Edelweiss Financial Services Limited.				
The aggregate number of bonus shares issued by the Company in the last five years immediately preceding the balance sheet date is 15,000 ordinary shares, by capitalising its reserves.				
The Company has only one class of ordinary shares. Each holder of ordinary shares is entitled to one vote per share held. Dividend declared by the Company, if any will be paid in United States Dollars.				
In the event of liquidation of the Company, the holders of ordinary shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.				
2.2 Reserves and surplus				
Foreign exchange translation reserve		180,693,844		180,693,844
Surplus/ deficit in statement of profit and loss				
Opening balance		1,301,478,478		(45,066,605)
Add: Profit for the year		<u>306,575,516</u>		<u>1,346,545,083</u>
Closing balance		<u>1,608,053,994</u>		<u>1,301,478,478</u>
		<u>1,788,747,838</u>		<u>1,482,172,322</u>

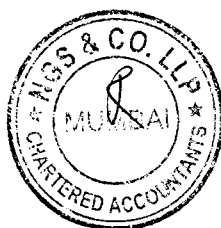


EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.3 Short-term borrowings		
<u>Secured loans</u> (Refer note 2.24)		
- from banks (Variable interest rate loan calculated at cost of funding to the lender plus 0.70% p.a., repayable on demand)	870,850,452	4,169,459,543
- from others (Fixed rate loan with interest rates ranging from 0.75% p.a. to 1.3 % p.a.)	635,614,631	2,255,115,405
<u>Unsecured Loans</u>		
Loan from related party, repayable on demand (Fixed rate loan at 7.5% p.a.) (Previous year: variable interest rate loan with interest rates ranging from 7.82% p. a. to 10.45% p.a.)	2,848,528,308	2,359,086,645
Loans from others (Tenure 1 year from the date of borrowing)	-	772,092,153
	4,354,993,391	9,555,753,746
2.4 Other current liabilities		
Interest accrued but not due on borrowings	3,794,575	8,286,298
Premium received on exchange traded options	439,334,200	282,102,459
Payable to broker	12,492,914	24,844,093
	455,621,689	315,232,850
2.5 Short-term provisions		
Provision for taxation (Net of advance tax)	3,930,580	7,779,287
	3,930,580	7,779,287



EC Global Limited

Notes to the financial statements (continued)

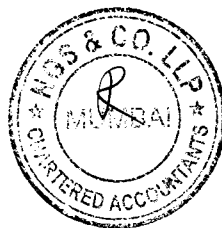
(Currency: Indian rupees)

2.6 Non-current investments - at cost	As at 31 March 2016			As at 31 March 2015		
	No. of units	Par Value (*)	Amount	No. of units	Par Value (*)	Amount
(I) Others (quoted)						
(i) Bonds/ Debentures (**)						
3.25% Axis Bank Limited 21.05.2020	8,000	100	52,965,494	-	-	-
3.75% Industrial Development Bank of India 25.01.19	20,000	100	133,249,529	-	-	-
4.125% Syndicate Bank Limited 12.04.18	20,000	100	136,899,166	-	-	-
4.375% Industrial Development Bank Of India Limited, 26.03.2018	20,000	100	136,791,707	-	-	-
4.625% Indian Overseas Bank, 21.02.18	30,000	100	206,321,852	-	-	-
4.625% Union Bank Of India, 22.08.17	20,000	100	138,595,961	-	-	-
4.75% Syndicate Bank Limited, 06.11.2016	10,000	100	68,674,451	-	-	-
5% Indian Overseas Bank, 19.10.2016	45,000	100	308,288,786	-	-	-
5.00% Industrial Development Bank of India, 25.09.2019	20,000	100	138,848,027	-	-	-
(II) Others (unquoted)						
(i) Investments in shares of venture fund						
Blue River Capital LLC	115.4	10,000	23,120,081	115.4	10,000	30,689,972
(ii) Investments in preference shares						
Edelweiss India Capital Management (formerly known as Forefront India Capital Management)*** (Non-cumulative, non-convertible preference shares with no voting rights and having preferential rights to dividend of 1% of capital contributed per annum, subject to approval of the board. These shares shall be redeemed at par value at the option of the investee Company)	50,000	1	3,316,645	50,000	1	3,129,540
			1,347,071,699			33,819,512
Aggregate of quoted investment						
- At carrying value			1,320,634,973			-
- At market value			1,307,577,341			-
Aggregate of unquoted investment						
- At book value			26,436,726			33,819,512

(*) in USD

(**) Refer Note 2.24

(***) Change in amount of Investment is due to foreign currency translation.



EC Global Limited

Notes to the financial statements *(continued)*

(Currency : Indian rupees)

2.7 Long-term loans and advances

Advance tax (Net of provision for taxation)

	As at 31 March 2016	As at 31 March 2015
	-	6,260
	<u>-</u>	<u>6,260</u>



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2016			As at 31 March 2015		
	Quantity	Face Value (*)	Amount	Quantity	Face Value (*)	Amount
2.8 Current investments - at lower of cost and fair value						
Others (quoted)						
Bonds/ Debentures (**)						
5% Indian Overseas Bank HK 5 19 10 2016	96,500	100	648,882,026	-	-	-
3.25% Axis Bank Limited 21.05.2020 Bonds	-	-	-	8,000	100	49,975,499
5.00% Icici Bank Limited, Hong Kong, 15.01.2016	-	-	-	85,000	100	545,657,519
4.625% Union Bank Of India, Hong Kong 11.02.2016	-	-	-	155,000	100	989,362,761
4.75% Industrial Development Bank Of India Limited, Dubai, 05.02.2016	-	-	-	150,200	100	959,997,224
5.125% Canara Bank London 2016	-	-	-	20,000	100	130,590,697
4.75% Syndicate Bank 06.11.2016, London	-	-	-	156,000	100	1,014,139,016
5.00% Indian Overseas Bank, Hong Kong 19.10.2016	-	-	-	141,500	100	918,189,918
4.625% Union Bank Of India, London 22.08.2017	-	-	-	98,000	100	642,328,696
4.125% Syndicate Bank 12.04.2018	-	-	-	62,500	100	402,981,164
5.00% Industrial Development Bank Of India Limited 25.09.2019 Bonds	-	-	-	20,000	100	131,659,748
3.75% Industrial Development Bank Of India Limited 25.01.2019 Bonds	-	-	-	20,000	100	125,743,665
6.75% Vedanta Resources Plc 07.06.2016 Bonds	-	-	-	200,000	100	1,251,958,707
4.625% Indian Overseas Bank 21.02.2018 Bonds	-	-	-	37,500	100	242,840,725
4.375% Industrial Development Bank Of India Limited 26.03.2018 Bonds	-	-	-	40,000	100	258,212,086
			648,882,026			7,663,637,425
Aggregate of quoted investment						
- At book value			648,882,026			7,663,637,425
- At market value			648,882,026			7,667,825,062

(*) in USD

(**) Refer Note 2.24



EC Global Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2016			As at 31 March 2015		
	Face Value (*)	Quantity	Amount	Face Value (*)	Quantity	Amount
2.9 Stock-in-trade						
<i>Equity shares - quoted</i>						
Tsubaki Nakashima Co. Limited	-	-	-	0.00081	82,000	5,957,400
			<u>-</u>			<u>5,957,400</u>
Aggregate of quoted equity shares						
- At book value			-			5,957,400
- At market value			-			6,380,568

(*) face value per ADR/ shares in Indian rupees

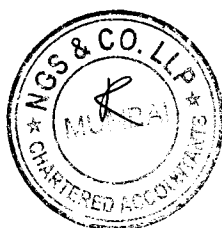


EC Global Limited

Notes to the financial statements (*continued*)

(Currency: Indian rupees)

	As at 31 March 2016	As at 31 March 2015
2.10 Cash and cash equivalents		
Balances with banks - in current accounts	6,769,951	87,793,804
	<u>6,769,951</u>	<u>87,793,804</u>
2.11 Short-term loans and advances <i>(Unsecured, considered good)</i>		
Loans and advances to related parties	3,385,135,406	2,069,335,581
	<u>3,385,135,406</u>	<u>2,069,335,581</u>
2.12 Other current assets		
Accrued interest on loans given	4,322,306	5,523,827
Accrued interest on debt instruments	28,120,120	97,065,245
Margin money with brokers	1,174,409,287	1,629,209,714
Option premium paid	54,944,870	2,013,797
	<u>1,261,796,583</u>	<u>1,733,812,583</u>

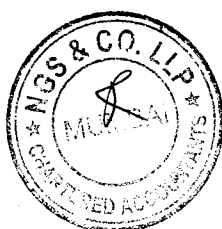


EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.13 Fee income		
Fee income	-	23,980,041
	<u>-</u>	<u>23,980,041</u>
2.14 Income from treasury operations		
Profit on trading of securities (net)	9,690,713	41,917,500
Profit on trading in equity derivative instruments (net)	7,304,625	4,259,326
Profit from arbitrage and trading in currency derivatives (net)	1,301,242,283	936,942,283
(Loss) / profit from arbitrage and trading in commodity derivatives (net)	(1,324,279,421)	257,111,779
Profit / (loss) on trading in interest rate derivative (net)	147,410,617	(131,032,143)
Loss on trading in swap (net)	(1,683,815)	(20,503,566)
Loss on sale and mark to market of current investment (net)	(225,943,598)	(92,653,958)
Dividend Income on stock-in-trade	98,163	(101,526)
Gain on foreign exchange movement on trade (net)	123,205,130	123,017,716
	<u>37,044,697</u>	<u>1,118,957,411</u>
2.15 Interest income		
On debt instrument	334,263,746	328,475,338
On others	170,073	(1,905)
On loans	153,726,078	40,517,058
	<u>488,159,897</u>	<u>368,990,491</u>
2.16 Other operating income		
Foreign exchange gain (net)	923,555	806,560
	<u>923,555</u>	<u>806,560</u>



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2016	For the year ended 31 March 2015
2.17 Employee benefit expenses		
Directors fees	400,419	385,904
	<u>400,419</u>	<u>385,904</u>
2.18 Finance costs		
Interest on loan from fellow subsidiary	124,320,931	6,503,265
Interest - others	32,933,101	104,239,602
Financial and bank charges	37,793,202	31,207,460
	<u>195,047,234</u>	<u>141,950,327</u>
2.19 Other expenses		
Accounting charges	292,799	335,135
Auditors' remuneration (refer note below)	1,661,161	1,243,361
Commission and brokerage	2,229,357	4,532,018
Computer expenses	1,746,353	563,848
Legal and professional fees	6,451,136	5,887,383
License fees	215,495	289,917
Miscellaneous expenses	1,287,915	1,168,512
Registration charges	30,215	-
	<u>13,914,431</u>	<u>14,020,174</u>
Note:		
Auditors' remuneration:		
As auditors	1,644,507	1,243,361
For reimbursement of expenses	16,654	-
	<u>1,661,161</u>	<u>1,243,361</u>



EC Global Limited

Notes to the financial statements (*continued*)

(Currency: Indian rupees)

2.20 *Segment reporting*

The Company has operated only in one business segment during the year viz. business of trading and investments. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Further, there are no geographical segments. Hence no disclosures are required under Accounting Standard 17 on Segmental Reporting.

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

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

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

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

EC International Limited
Aster Commodities DMCC
Edel Commodities Limited
Edelweiss International (Singapore) Pte Limited
Edelweiss India Capital Management (Formerly known as Forefront India Capital Management)
Edelweiss Commodities Pte. Limited



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

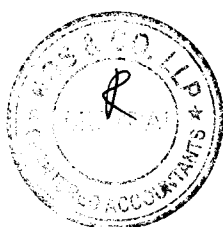
2.21 Disclosure as required by Accounting Standard 18 – "Related Party Disclosure" as prescribed under Section 133 of the Companies Act, 2013

(C) Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2016	For the year ended 31 March 2015
(I) Capital account transactions during the year				
	Preference shares redeemed	EC International Limited	-	1,862,192,303
	Investment in preference shares of	Edelweiss India Capital Management	-	3,129,540
(II) Current account transactions during the year				
	Short term loans taken from (Refer note below)	EC International Limited	64,073,509	511,609,828
		Aster Commodities DMCC	670,216,210	661,487,529
		Edelweiss International (Singapore) Pte Limited	392,766,401	-
		Edelweiss Commodities Pte. Limited	39,276,640	-
	Short term loans repaid to (Refer note below)	EC International Limited	64,073,509	525,529,441
		Aster Commodities DMCC	326,451,745	61,003,252
		Edelweiss International (Singapore) Pte Limited	392,766,401	-
		Edelweiss Commodities Pte. Limited	39,276,640	-
	Short term loans given to (Refer note below)	EC International Limited	1,084,369,833	2,021,590,681
		Aster Commodities DMCC	76,628,246	1,531,200,853
		Edelweiss International (Singapore) Pte Limited	92,058,971	-
	Repayment of short term loans by (Refer note below)	Aster Commodities DMCC	76,628,246	1,531,200,853
	Interest paid on loans taken from	EC International Limited	9,176	6,503,265
		Aster Commodities DMCC	121,945,931	66,834,577
		Edelweiss International (Singapore) Pte Limited	2,365,824	-
	Interest received on loans given to	EC International Limited	152,455,064	20,236,544
		Aster Commodities DMCC	127,293	20,280,514
		Edelweiss International (Singapore) Pte Limited	1,143,721	-
	Financial charges paid to	Edelweiss Financial Services Limited	37,411,756	31,021,565
	Professional fees paid to	Edel Commodities Limited	2,896,094	3,129,540
	Reimbursements paid to	EC International Limited	-	947,995
	Net amount earned on settlement of forward contracts entered with	Aster Commodities DMCC	-	1,377,488,403
	Net loss incurred on settlement of forward contracts entered with	Aster Commodities DMCC	1,327,544,056	-
(III) Balances with related parties				
	Short term borrowings from	Aster Commodities DMCC	2,848,528,307	2,359,086,645
	Trade payables to	Aster Commodities DMCC	-	195,283,296
		Edel Commodities Limited	2,896,094	3,129,540
		Edelweiss Financial Services Limited	39,799,740	31,021,565
	Interest accrued but not due on borrowings from	Aster Commodities DMCC	3,794,575	8,286,298
	Accrued interest on loans given to	EC International Limited	3,497,005	5,523,827
		Edelweiss International (Singapore) Pte. Limited	825,300	-
	Short-term loans and advances given to	Edelweiss International (Singapore) Pte. Limited	93,290,220	-
		EC International Limited	3,291,845,186	2,069,335,581

Note:

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



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

(I) Contracts outstanding as at 31 March 2016

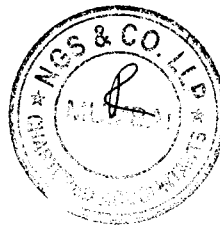
a) Options

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

Particulars of contract	Premium received
<i>Currency options</i>	493,334,200
Total	493,334,200

b) Currency forwards

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



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

b) Currency forwards (continued)

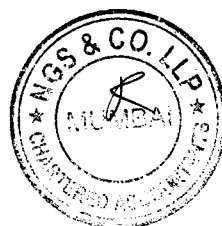
Particulars of contract	Number of contracts	No. of units involved
<i>Short positions</i>		
<i>Currency forward</i>		
USD INR	320,000,000	320,000,000
EUR INR	25,000,000	25,000,000
INR JPY	1,350,000,000	1,350,000,000
USD JPY	670,232	670,232
USD MYR	2,000,000	2,000,000
AUD USD	400,000	400,000
USD CNY	25,000,000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

c) Credit default swaps

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

d) Futures

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



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

e) Interest rate swaps

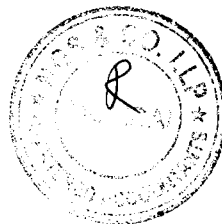
Benchmark	Notional principal (Rs.)	Terms
LIBOR	3,445,330,826	Pay fixed
SOR	49,242,900	Receive fixed
SOR	49,242,900	Pay fixed
MIBOR	9,800,000,000	Pay fixed
LIBOR	1,077,909,625	Pay fixed v/s Receive floating
LIBOR	3,259,598,706	Receive fixed
MIBOR	5,500,000,000	Receive fixed
LIBOR	39,799,740	Receive fixed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

(II) Contracts outstanding as at 31 March 2015

a) Options

Particulars of contract	Premium paid
Options	
<i>Currency options</i>	
USD INR	2,013,797
Total	2,013,797

Particulars of contract	Premium received
<i>Currency options</i>	
USD INR	282,102,459
Total	282,102,459



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

(II) Contracts outstanding as at 31 March 2015 (continued)

b) Currency forwards

Particulars of contract	Number of contracts	No. of units involved
<i>Long positions</i>		
<i>Currency Forwards</i>		
USD INR	886,390,000	886,390,000
USD KRW	1,987,233	1,987,233
Euro USD	1,097,441	1,097,441
INR JPY	4,200,000,000	4,200,000,000
USD CNH	1,000,000	1,000,000
USD JPY	1,000,000	1,000,000
USD TWD	1,000,000	1,000,000
Total	5,092,474,674	5,092,474,674

Particulars of contract	Number of contracts	No. of units involved
<i>Short positions</i>		
<i>Currency Forwards</i>		
USD INR	759,500,000	759,500,000
USD KRW	2,011,414	2,011,414
Euro USD	548,000	548,000
Total	762,059,414	762,059,414

c) Credit default swaps

Underlying	Notional principal (Rs.)
iTraxx Asia Ex-Japan IG S23	1,251,816,000
iTraxx 125 S23	1,687,760,000
Total	2,939,576,000



EC Global Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

(II) Contracts outstanding as at 31 March 2015 (continued)

d) Interest rate swaps

Benchmark	Notional principal (Rs.)	Terms
LIBOR	8,806,525,560	Pay fixed
LIBOR	3,316,686,492	Receive fixed
MIBOR	26,450,000,000	Pay fixed
MIBOR	4,500,000,000	Receive fixed
SOR	45,498,500	Pay fixed
SOR	45,498,500	Receive fixed
Total	43,164,209,052	

2.23 Earnings per share

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

	For the year ended 31 March 2016	For the year ended 31 March 2015
a) Net amount attributable to ordinary shareholders (as per statement of profit and loss)	306,575,516	1,346,545,083
b) Calculation of weighted average number of ordinary shares of USD 1 each:		
– Number of shares at the beginning of the year	25,000	25,000
– shares issued during the year		
Total number of ordinary shares outstanding at the end of the year	25,000	25,000
Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	25,000	25,000
c) Basic and diluted earnings per share (in rupees) (a/b)	12,263.02	53,861.80

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



EC Global Limited

Notes to the financial statements (*continued*)

(Currency: Indian rupees)

2.24 The Company has pledged its investments in debt instruments against loans taken from banks and financial institution amounting to Rs. 1,506,465,083 as at 31 March 2016 (Previous year: Rs. 6,424,574,948).

2.25 *Capital commitments*

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

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

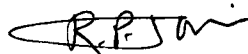
2.26 The liability of the parent company, Edelweiss Finance and Investments Limited, in the Company shall be limited to its equity or fund based commitment.

2.27 *Contingent liabilities*

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

As per our report of even date attached.

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



R. P. Soni
Partner
Membership No.: 104796



Mumbai
11 May 2016

For and on behalf of the Board of Directors



Udit Sureka
Director

11 May 2016



Vishal Goradia
Director

11 May 2016