

EC Global Limited

**Financial Statements
together with Auditors' Report
for the year ended 31 March 2015**

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 2015, 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, 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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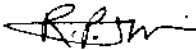
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 2015, 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: 14 May 2015



EC Global Limited

Balance Sheet

(Currency: Indian rupees)

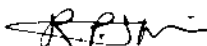
	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	1,104,840	1,863,297,143
Reserves and surplus	2.2	1,482,172,322	135,627,239
		<u>1,483,277,162</u>	<u>1,998,924,382</u>
Current liabilities			
Short-term borrowings	2.3	9,555,753,746	10,121,979,914
Trade payables		232,319,520	98,514,194
Other current liabilities	2.4	315,232,850	297,696,958
Short-term provisions	2.5	7,779,287	3,400,687
		<u>10,111,085,403</u>	<u>10,521,591,753</u>
TOTAL		<u>11,594,362,565</u>	<u>12,520,516,135</u>
ASSETS			
Non-current assets			
Non-current investments	2.6	33,819,512	40,063,260
Long-term loans and advances	2.7	6,260	6,010
		<u>33,825,772</u>	<u>40,069,270</u>
Current assets			
Current investments	2.8	7,663,637,425	10,569,703,027
Stock-in-trade	2.9	5,957,400	44,666,888
Trade receivables	2.10	-	1,034,557,957
Cash and cash equivalents	2.11	87,793,804	2,791,152
Short-term loans and advances	2.12	2,069,335,581	-
Other current assets	2.13	1,733,812,583	828,727,841
		<u>11,560,536,793</u>	<u>12,480,446,865</u>
TOTAL		<u>11,594,362,565</u>	<u>12,520,516,135</u>

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

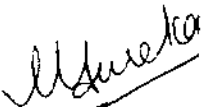
For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W

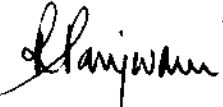

R. P. Soni
Partner
Membership No.: 104796



Mumbai
14 May 2015

For and on behalf of the Board of Directors


Udit Sureka
Director


Rujan Panjwani
Director

14 May 2015

14 May 2015

EC Global Limited

Statement of Profit and Loss

(Currency: Indian rupees)

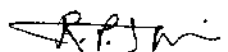
	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue from operations			
Fee income	2.14	23,980,041	-
Income from treasury	2.15	1,118,957,411	(1,582,581,422)
Interest income	2.16	368,990,491	263,997,714
Other operating revenue	2.17	806,560	1,139,927
Total revenue		1,512,734,503	(1,317,443,781)
Expenses			
Employee benefit expenses	2.18	385,904	501,940
Finance costs	2.19	141,950,327	141,073,132
Other expenses	2.20	14,020,174	15,077,372
Total expenses		156,356,405	156,652,444
Profit/(loss) before tax		1,356,378,098	(1,474,096,225)
Tax expense			
Current tax		9,833,015	5,462,355
Profit/(loss) after tax		1,346,545,083	(1,479,558,580)
Earnings per equity share:			
Basic and diluted (face value of USD 1 each)	2.24	53,861.80	(59,182.34)

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

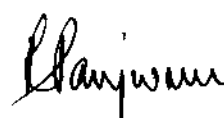


Mumbai
14 May 2015

For and on behalf of the Board of Directors



Udit Sureka
Director



Rujan Panjwani
Director

14 May 2015

14 May 2015

EC Global Limited

Cash Flow Statement

(Currency: Indian rupees)

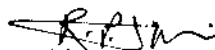
	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash flow from operating activities		
Profit/(loss) before taxation	1,356,378,098	(1,474,096,225)
<i>Adjustments for:</i>		
Profit on sale of current investments	92,653,958	(20,298,252)
Interest income	(368,990,491)	(263,997,714)
Interest expense	141,950,327	141,073,132
Operating cash flow before working capital changes	1,221,991,892	(1,617,319,059)
<i>Add / (Less): Adjustments for working capital changes</i>		
Decrease/ (increase) in trade receivables	1,034,557,957	(1,034,557,957)
Decrease/ (increase) in stock-in-trade	38,709,488	(44,666,888)
(Increase)/ decrease in other assets	(891,103,116)	133,490,794
Increase in other current liabilities	15,121,825	10,123,788
Increase/(decrease) in trade payables	133,805,326	(449,787,384)
Cash generated from/ (used in) operations	1,553,083,372	(3,002,716,706)
Income taxes paid	(5,454,664)	(4,514,333)
Net cash generated from / (used in) operating activities - A	1,547,628,708	(3,007,231,039)
B Cash flow from investing activities		
Distributions received from/ (contributions made to) long term investment in venture fund (net)	6,243,748	(1,605,402)
Purchase of current investments	(5,585,503,238)	(11,856,466,602)
Sale of current investments	8,398,914,881	4,264,153,248
Loans and advances (given) / repayments received (net) (refer note 1)	(2,069,335,581)	905,978,966
Interest received	355,008,365	209,765,701
Net cash generated from / (used in) investing activities - B	1,105,328,675	(6,478,174,089)
C Cash flow from financing activities		
Proceeds from issue of preference share capital	-	3,444,035,310
Redemption of preference share capital	(1,862,192,303)	(1,581,843,007)
(Repayment of) / proceeds from short term borrowings (net) (refer note 1)	(566,226,168)	7,674,082,853
Interest paid	(139,536,260)	(135,200,901)
Net cash (used in) / generated from financing activities - C	(2,567,954,731)	9,401,074,255
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	85,002,652	(84,330,873)
Cash and cash equivalents as at the beginning of the year	2,791,152	87,122,026
Cash and cash equivalents as at the end of the year (Refer note 2.11)	87,793,804	2,791,152

Notes:

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

As per our report of even date attached.

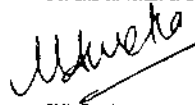
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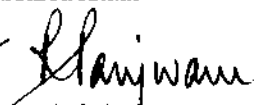

R. P. Sodhi
Partner
Membership No. 104796

Mumbai
14 May 2015



For and on behalf of the Board of Directors


Udit Sureka
Director


Rujan Panjwani
Director

14 May 2015

14 May 2015

EC Global Limited

Notes to the financial statements for the year ended 31 March 2015

(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), provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter together 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 the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statement. 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 satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

1. Significant accounting policies (continued)

1.3 Current/non-current classification (continued)

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. 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 financial liabilities.

All other liabilities are classified as non-current.

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.



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

1. Significant accounting policies (Continued)

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

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).

Income Tax

Provision for income 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.



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 *(continued)*

(Currency: Indian rupees)

1. Significant accounting policies *(Continued)*

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 for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
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
Nil (Previous year: 30,985,000) 5.50% non-convertible, non-cumulative, redeemable Preference shares of USD 1 each, fully paid up	-	1,862,192,303
	<u>1,104,840</u>	<u>1,863,297,143</u>

(b) **Movement in share capital**

(i) **Ordinary shares**

	31 March 2015		31 March 2014	
	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 2015		31 March 2014	
	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	-	-	55,000,000	3,444,035,310
Shares redeemed during the year	30,985,000	1,862,192,303	24,015,000	1,581,843,007
Outstanding as at the end of the year	<u>-</u>	<u>-</u>	<u>30,985,000</u>	<u>1,862,192,303</u>

(c) **Details and terms/rights attached to ordinary shares:**

The entire ordinary share capital is held by Edelweiss Finance & 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.

(d) **Details and terms/rights attached to preference shares:**

As at 31 March 2015, there were no outstanding preference shares. The entire preference share capital was held by EC International Limited, a fellow subsidiary company.

The preference shares were of the face value of USD 1 per share. The preference shares were non-convertible, non-cumulative and redeemable, carrying a non-cumulative dividend of 5.50%.

2.2 Reserves and surplus

Foreign exchange fluctuation reserve	180,693,844	180,693,844
Opening balance in Statement of profit and loss	(45,066,605)	1,434,491,975
Add/Less: Profit/(loss) for the year	1,346,545,083	(1,479,558,580)
Closing balance	<u>1,301,478,478</u>	<u>(45,066,605)</u>
	<u>1,482,172,322</u>	<u>135,627,239</u>



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.3 Short-term borrowings		
<u>Secured loans</u>		
(Repayable on demand and secured against investments in bonds and debentures)		
- from banks	4,169,459,543	8,518,526,613
(Variable interest rate loans calculated at cost of funding to the lender plus 0.70%)		
- from others	2,255,115,405	557,735,126
(Fixed rate loans with interest rates ranging from 0.75% to 1 % p.a)		
<u>Unsecured</u>		
Loans from related parties, repayable on demand	2,359,086,645	1,045,718,175
(variable interest rate loans based on average borrowing rate of the lender plus mark up)		
Loans from others	772,092,153	-
(Tenure 1 year from the date of borrowing)		
	9,555,753,746	10,121,979,914
2.4 Other current liabilities		
Interest accrued but not due on borrowings	8,286,298	5,872,231
Premium received on exchange traded options	282,102,459	291,824,727
Payable to broker	24,844,093	-
	315,232,850	297,696,958
2.5 Short-term provisions		
Provision for taxation	7,779,287	3,400,687
(Net of advance tax Rs. 13,531,630; Previous year Rs. 23,239,991)		
	7,779,287	3,400,687



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

2.6 Non-current investments - at cost	As at 31 March 2015			As at 31 March 2014		
	No. of units	Par Value (*)	Amount	No. of units	Par Value (*)	Amount
Others (unquoted)						
(i) Investment in shares of venture fund Blue River Capital LLC	115.4	10,000	30,689,972	115.4	10,000	40,063,260
(ii) Investment in Preference shares of fellow subsidiary Forefront India Capital Management	50,000	1	3,129,540	-	-	-
 (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)						
			<u>33,819,512</u>			
				<u>40,063,260</u>		
Aggregate of unquoted investment - At book value			33,819,512			40,063,260

(*) in USD



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency : Indian rupees)

2.7 Long-term loans and advances

Advance tax
(Net of provision for taxation Rs.26,182,608; Previous year Rs. 9,515,000)

	As at 31 March 2015	As at 31 March 2014
	6,260	6,010
	<u>6,260</u>	<u>6,010</u>



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

	As at 31 March 2015			As at 31 March 2014		
	Quantity	Face Value (*)	Amount	Quantity	Face Value (*)	Amount
2.B Current investments - at lower of cost and fair value						
(Others (quoted))						
Bonds/Debtures (**)						
5.25% Axis Bank Limited Dubai, 30.09.2015	-	-	-	129,500	100	811,695,278
5.50% ICICI Bank Limited Bahrain, 25.03.2015	-	-	-	370,000	100	2,297,741,564
3.25% Axis Bank Limited 21.05.2020 Bonds	8,000	100	49,975,499	-	-	-
4.50% State Bank Of India, London 27.07.2015	-	-	-	141,000	100	875,209,347
4.75% Bank Of Baroda, London 07.10.2015	-	-	-	150,000	100	929,203,008
4.75% Bank Of India, London, 30.09.2015	-	-	-	168,000	100	1,040,027,520
5.00% ICICI Bank Limited, Hong Kong, 15.01.2016	85,000	100	545,657,519	85,000	100	529,246,051
4.38% Export Import Bank Of India 02.02.2015 Bonds	-	-	-	40,000	100	245,351,423
5% Indian Overseas Bank Hong Kong, 5.19.10.2016	-	-	-	50,000	100	313,540,657
3.625% Union Bank Of India, Hong Kong 11.02.2016	155,000	100	989,362,761	155,000	100	949,987,922
4.75% Industrial Development Bank Of India Limited, Dubai, 05.02.2016	150,200	100	959,997,224	125,000	100	771,397,761
4.50% State Bank Of India, London, 23.10.2014	-	-	-	245,000	100	1,494,384,534
5.125% CANARA BANK LONDON 2016	20,000	-	130,590,697	-	-	-
4.75% Syndicate Bank 06.11.2016, London	156,000	100	1,014,139,816	50,000	100	311,917,962
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	40,800	100	258,212,866	-	-	-
			7,663,637,425			10,569,703,027
Aggregate of quoted investment						
- At book value			7,663,637,425			10,569,703,027
- At market value			7,667,825,862			10,607,436,504

(*) in USD

(**) The Company has pledged the above debt instruments against loans taken from banks amounting to Rs.6,424,574,948 as at 31 March 2015 (Previous year: Rs 9,076,261,739)



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency : Indian rupees)

	As at 31 March 2015			As at 31 March 2014		
	Face Value (*)	Quantity	Amount	Face Value (*)	Quantity	Amount
2.9 Stock-in-trade						
<i>Equity shares - quoted</i>						
ICICI Bank Limited - ADR	-	-	-	20	8,500	21,007,628
Wipro Limited - ADR	-	-	-	2	14,000	10,866,515
Doctor Reddy's Laboratories - ADR	-	-	-	5	100	258,429
Sesa Sterlite Limited - ADR	-	-	-	4	18,000	12,534,316
HKBN Limited	0.0008	82,000	5,957,400	-	-	-
			<u>5,957,400</u>			<u>44,666,888</u>
Aggregate of quoted equity shares						
- At book value			5,957,400			44,666,888
- At market value			6,380,568			47,349,627

(*) Face value per ADR/ share in Indian rupees



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

	As at 31 March 2015	As at 31 March 2014
2.10 Trade receivables		
Other debts		
- Unsecured, considered good	-	1,034,557,957
	<u>-</u>	<u>1,034,557,957</u>
2.11 Cash and cash equivalents		
Balances with other banks		
- in current accounts	87,793,804	2,791,152
	<u>87,793,804</u>	<u>2,791,152</u>
2.12 Short-term loans and advances <i>(Unsecured, considered good)</i>		
Loans and advances to related parties	2,069,335,581	-
	<u>2,069,335,581</u>	<u>-</u>
2.13 Other current assets		
Accrued interest on loans given	5,523,827	-
Accrued interest on debt instruments	97,065,245	88,607,446
Margin money with brokers	1,629,209,714	580,500,131
Option premium paid	2,013,797	159,620,264
	<u>1,733,812,583</u>	<u>828,727,841</u>



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.14 Fee income		
Fee income	23,980,041	-
	<u>23,980,041</u>	<u>-</u>
2.15 Income from treasury		
Profit on trading of securities (net)	41,917,500	27,453,724
Profit/(loss) on trading in equity derivative instruments (net)	4,259,326	(1,919,808)
Profit/(loss) from arbitrage and trading in currency derivatives (net)	936,942,283	(2,543,305,737)
Profit from arbitrage and trading in commodity derivatives (net)	257,111,779	1,777,955,633
Loss on trading in interest rate derivative (net)	(131,032,143)	(992,151,854)
Loss on trading in swap (net)	(20,503,566)	(2,144,396)
(Loss)/profit on sale and mark to market of current investment (net)	(92,653,958)	20,298,252
Dividend income on stock-in-trade	(101,526)	(152,282)
Gain on foreign exchange movement on trade (net)	123,017,716	131,385,046
	<u>1,118,957,411</u>	<u>(1,582,581,422)</u>
2.16 Interest income		
On debt instrument	328,475,338	249,972,493
On others	(1,905)	699,741
On loan	40,517,058	13,325,480
	<u>368,990,491</u>	<u>263,997,714</u>
2.17 Other operating income		
Foreign exchange gain (net)	806,560	1,139,927
	<u>806,560</u>	<u>1,139,927</u>



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.18 Employee benefit expenses		
Directors fees	385,904	501,940
	<u>385,904</u>	<u>501,940</u>
2.19 Finance costs		
Interest on loan from fellow subsidiary	6,503,265	29,718,877
Interest - others	104,239,602	95,254,488
Financial and bank charges	31,207,460	16,099,767
	<u>141,950,327</u>	<u>141,073,132</u>
2.20 Other expenses		
Accounting charges	335,135	222,251
Auditors' remuneration (refer note below)	1,243,361	993,992
Commission and brokerage	4,532,018	8,733,868
Computer expenses	563,848	-
Legal and professional fees	5,887,383	3,370,789
License fees	289,917	281,032
Miscellaneous expenses	1,168,512	1,454,653
ROC expenses	-	20,787
	<u>14,020,174</u>	<u>15,077,372</u>
Note:		
Auditors' remuneration		
As auditors	<u>1,243,361</u>	<u>993,992</u>
	<u>1,243,361</u>	<u>993,992</u>



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 *(continued)*

(Currency: Indian rupees)

2.21 *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. Since business operations of the Company are concentrated in India, the Company is considered to operate only in domestic segment and therefore there is no reportable geographic segment.

2.22 *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 & 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
Forefront India Capital Management



EC Global Limited

Notes to the financial statements for year ended 31 March 2015 (continued)

(Currency: Indian rupees)

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

(C) Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	2014-15	2013-14
Capital account transactions during the				
(I) year				
	Preference shares issued to	EC International Limited	-	3,444,035,310
	Preference shares redeemed	EC International Limited	1,862,192,303	1,581,843,007
	Investment in preference shares of	Forefront India Capital Management	3,129,540	-
Current account transactions during the				
(II) year				
	Short term loans taken from (Refer note below)	EC International Limited	511,609,828	1,617,740,859
		Aster Commodities DMCC	661,487,529	1,686,117,048
	Short term loans repaid to (Refer note below)	EC International Limited	525,529,441	1,603,969,411
		Aster Commodities DMCC	61,003,252	-
	Short term loans given to (Refer note below)	EC International Limited	2,021,590,681	-
		Aster Commodities DMCC	1,531,200,853	-
	Repayment of Short term loans by (Refer note below)	EC International Limited	-	793,195,636
		Aster Commodities DMCC	1,531,280,853	214,495,865
	Interest paid on loans taken from	EC International Limited	6,503,265	29,718,877
		Aster Commodities DMCC	66,834,577	46,036,885
	Interest received on loans given to	EC International Limited	20,236,544	12,715,786
		Aster Commodities DMCC	20,280,514	609,694
	Financial charges paid to	Edelweiss Financial Services Limited	31,021,565	15,863,380
	Professional fees paid to	Edel Commodities Limited	3,129,540	1,535,952
	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	652,742,812
(III) Balances with related parties				
	Short term borrowings from	EC International Limited	-	13,681,312
		Aster Commodities DMCC	2,359,086,645	1,032,036,863
	Trade payables to	Aster Commodities DMCC	195,283,296	-
		Edel Commodities Limited	3,129,540	1,512,963
		Edelweiss Financial Services Limited	31,021,565	15,625,948
	Interest accrued but not due on borrowings from	EC International Limited	-	38,103
		Aster Commodities DMCC	8,286,298	5,834,128
	Accrued interest on loans given to	EC International Limited	5,523,827	-
	Short-term loans and advances given to	EC International Limited	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 period



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

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

(I) Contracts outstanding as at 31 March 2015

a) Options

Particulars of contract	Premium paid
Options	
<i>Currency options</i>	
USD INR	2,013,796
Total	2,013,796

Particulars of contract	Premium received
<i>Currency options</i>	
USD INR	282,102,461
Total	282,102,461

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



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

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

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	



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

(II) Contracts outstanding as at 31 March 2014

a) Futures

Particulars of contract	No. of Contracts	No. of units
<i>Long</i>		
GBP 16JUN14	4	250,000 Pound
VIX 16APR14	6	6,000 VIX Index
PJY 16 June 2014	2	250,000 Yen
<i>Short</i>		
EUR 16JUN14	1	125,000 Euro
JPY 16JUN14	2	25,000,000 Yen

b) Options

Particulars of contract	Premium paid
Options	
<i>Currency options</i>	
GBP USD	265,942
USD INR	155,270,541
<i>Equity index option</i>	
	4,083,781
Total	159,620,264

Particulars of contract	Premium received
<i>Currency options</i>	
USD INR	291,824,727
Total	291,824,727



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

c) Currency Forwards

Particulars of contract	Number of contracts	No. of units involved
<i>Long positions</i>		
<i>Currency forwards</i>		
USD INR	465,000,000	465,000,000
USD KRW	321,746	321,746
Total	465,321,746	465,321,746

Particulars of contract	Number of contracts	No. of units involved
<i>Short positions</i>		
<i>Currency forwards</i>		
USD INR	372,638,371	372,638,371
Euro INR	10,750,000	10,750,000
Total	383,388,371	383,388,371

d) Commodity Forwards

Particulars of contract	Measurement unit	No. of units involved
<i>Long positions</i>		
Gold	Troy Ounce	240,000
Nickel	Tonne	8,000
Heating Oil	Gallons	300,000
Zinc	Tonne	50,000
Aluminum	Tonne	65,000
<i>Short positions</i>		
Crude	Barrels	1,050,000
Natural Gas	mm btu	26,000,000



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

e) Interest Rate Swaps

Benchmark	Notional Principal (Rs.)	Terms
MIBOR	23,750,000,000	Pay Fixed
MIBOR	13,500,000,000	Receive Fixed
LIBOR	6,844,165,224	Pay Fixed
SOR	1,257,600	Receive Fixed
SOR	1,257,600	Pay Fixed
Total	44,096,680,424	

2.24 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 2015	For the year ended 31 March 2014
a) Net amount attributable to ordinary shareholders (as per statement of profit and loss)	1,346,545,083	(1,479,558,580)
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)	53,861.80	(59,182.34)

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

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



EC Global Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian rupees)

2.26 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 further 2 years.

2.27 Contingent liabilities

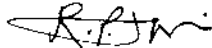
The Company has no contingent liabilities as at the balance sheet date (Previous year Rs. Nil).

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

14 May 2015

For and on behalf of the Board of Directors



Udit Sureka

Director



Rujan Panjwani

Director

14 May 2015

14 May 2015