

**EC International Limited**

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**Financial Statement for the year ended March 31, 2022**

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **EC International Limited**

### **Report on the Audit of the Special Purpose Financial Statements**

#### **Opinion**

We have audited the accompanying Special Purpose Financial Statements of **EC International Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2022, 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, 2022, its loss including other comprehensive loss, 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), issued by the Institute of Chartered Accountants of India ("the ICAI"). 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 ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013, as amended ("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, the requirement regarding reporting on Other Information clause is not applicable to the Company.

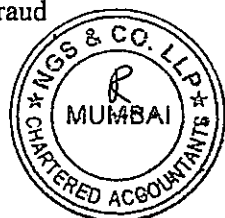
#### **Responsibility of Management for the Special Purpose Financial Statements**

The Company's Board of Directors is responsible for the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the 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 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.

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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.

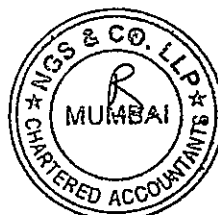
#### **Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

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 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.



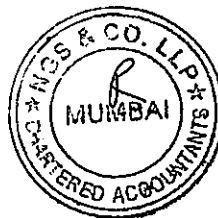
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matter**

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, 2022 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. This report does not include a statement on the matters specified in Paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, since the Company is a foreign company, the reporting requirements are not applicable to it.
2. 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 requirement for provisions 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;



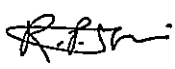
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note XX to the special purpose financial statements;

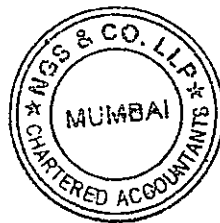
[or]

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

- iii. a) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the note 30(b) to the Special Purpose financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the note 30(c) to the Special Purpose financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- iv. No dividend has been declared or paid during the year by the Company.

For NGS & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 119850W

  
R.P.Soni  
Partner  
Membership No. 104796



UDIN: 22104796AIUZRM2225

Place: Mumbai  
Date: May 11, 2022

**Annexure A**  
**Report on the Internal Financial Controls**

We have audited the internal financial controls with reference to special purpose financial statements of **EC International Limited** ("the Company") as of March 31, 2022 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 ("ICAI"). 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 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, both issued by ICAI. 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 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 with reference to these special purpose financial statements and their operating effectiveness. Our audit of internal financial controls with reference to special purpose financial statement included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these special purpose financial statements.



### **Meaning of Internal Financial Controls with reference to these Special Purpose Financial Statements**

A Company's internal financial controls with reference to 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 controls with reference to 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 with reference to Special Purpose Financial Statements**

Because of the inherent limitations of internal financial controls 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 with reference to special purpose financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to special purpose financial statements and such internal financial controls with reference to special purpose financial statements were operating effectively as at March 31, 2022, 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 issued by ICAI.

**For NGS & Co. LLP**

**Chartered Accountants**

ICAI Firm Registration Number: 119850W



**R.P. Soni**

Partner

Membership No. 104796



UDIN: 22104796AIUZRM2225

Place: Mumbai

Date: May 11, 2022

# EC International Limited

## Balance Sheet

(Currency : Indian rupees)

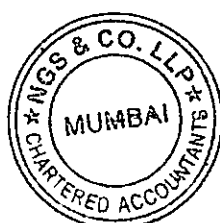
	Note	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7	76,80,259	1,98,987
Investments	8	1,44,66,904	21,97,35,978
Other Financial Assets	9	-	12,203
		<u>2,21,47,163</u>	<u>21,99,47,168</u>
<b>Non-financial assets</b>			
Property, Plant and Equipment	10	-	-
Other non- financial assets	11	-	38,244
		<u>-</u>	<u>38,244</u>
<b>TOTAL ASSETS</b>		<u><b>2,21,47,163</b></u>	<u><b>21,99,85,412</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>Financial liabilities</b>			
Trade payables	12	33,68,276	26,71,118
Borrowings (other than debt securities)	13	14,64,43,492	31,82,16,987
		<u>14,98,11,768</u>	<u>32,08,88,105</u>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)		-	1,00,481
		<u>-</u>	<u>1,00,481</u>
<b>Equity</b>			
Equity share capital	14	62,00,250	62,00,250
Other equity		(13,38,64,855)	(10,72,03,425)
		<u>(12,76,64,605)</u>	<u>(10,10,03,175)</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>2,21,47,163</b></u>	<u><b>21,99,85,412</b></u>

Significant accounting policies and notes to the financial statement. 1 to 30

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



May 11, 2022

For and on behalf of the Board of Directors

Vinod Kumar Soni  
Director

Subhas Lallah  
Director

May 11, 2022





EC International Limited

Statement of Profit and Loss  
(Currency : Indian rupees)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
Dividend income	15	-	38,10,28,659
Other Income	16	-	9,55,851
<b>Total Revenue</b>		<b>-</b>	<b>38,19,84,510</b>
Expenses			
Finance costs	17	90,22,915	1,29,23,438
Impairment on financial instruments	18	(1,47,00,255)	9,59,28,605
Depreciation, amortisation and impairment	10	-	14,748
Other expenses	19	2,87,70,476	62,62,327
<b>Total expenses</b>		<b>2,30,93,136</b>	<b>11,51,29,119</b>
<b>Profit before tax</b>		<b>(2,30,93,136)</b>	<b>26,68,55,391</b>
Tax expenses			
(1) Current tax		(222)	8,24,848
<b>Profit/(loss) for the year</b>		<b>(2,30,92,914)</b>	<b>26,60,30,543</b>
<b>Profit/ (Loss) for the period</b>		<b>(2,30,92,914)</b>	<b>26,60,30,543</b>
Other Comprehensive Income			
Items that will be reclassified to profit or loss			
Fair value gain / loss - OCI - debt		-	(16,49,012)
Foreign Exchange Translation Reserve - OCI		(35,68,518)	(1,93,02,940)
<b>Total</b>		<b>(35,68,518)</b>	<b>-2,09,51,952</b>
<b>Other Comprehensive Income</b>		<b>(35,68,518)</b>	<b>-2,09,51,952</b>
<b>Total Comprehensive Income</b>		<b>(2,66,61,432)</b>	<b>24,50,78,591</b>
Earnings per equity share (Face value of USD * 1 each):			
Basic and Diluted	21	(185)	2,128

Significant accounting policies and notes to the financial statement

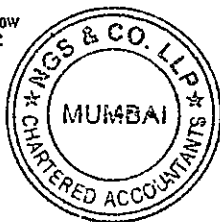
1 to 30

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

May 11, 2022



For and on behalf of the Board of Directors

Vinod Kumar Soni  
Director

Sudhakar Lallu  
Director

May 11, 2022



# EC International Limited

## Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A Cash flow from operating activities</b>		
Profit/(loss) before taxation	(2,30,93,136)	26,68,55,392
Adjustments for		
Depreciation	-	14,748
Impairment on financial instruments	(1,47,00,255)	9,59,28,605
Fixed asset written off	-	7,501
Dividend from long term investments	-	(38,10,28,659)
Interest expense on loans	87,31,630	1,25,67,614
Loss on sale of investment	2,53,16,383	-
Operating cash flow before working capital changes	(37,45,378)	(56,54,800)
Add/(Less): Adjustments for working capital changes		
Decrease in other financial asset	12,366	10,533
Decrease in other non financial asset	38,759	1,20,160
(Decrease) in other financial liability	-	-
(Decrease) in other non financial Liabilities	-	(9,73,591)
(Decrease) in provision	-	-
Increase/(Decrease) in Trade Payable	6,03,886	(32,74,130)
Cash (used in)/ generated from operations	(30,90,367)	(97,71,828)
Income taxes paid	(1,01,609)	(14,74,849)
Net cash (used in)/ operating activities - A	(31,91,976)	(1,12,46,677)
<b>B Cash flow from investing activities</b>		
Sale of fixed assets	-	12,313
Purchase/sale of investments (net)	1,79,67,466	(1,01,394)
Dividend received from long term investments	-	36,87,93,216
Net cash generated from investing activities - B	1,79,67,466	36,87,04,134
<b>C Cash flow from financing activities</b>		
Proceeds from / (repayment of ) unsecured loan (net) (refer note below)	(74,49,323)	14,58,27,929
Interest paid	-	(68,15,462)
Dividend paid	-	(51,17,91,458)
Net cash used in financing activities - C	(74,49,323)	(37,27,78,990)
<b>D Change in foreign exchange translation reserve - D</b>	1,55,105	(2,64,649)
Net increase (decrease) in cash and cash equivalents (A+B+C+D)	74,81,272	(1,55,86,183)
Cash and cash equivalents as at the beginning of the year	1,98,987	1,57,85,155
Cash and cash equivalents as at the end of the year	76,80,259	1,98,987

### 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

May 11, 2022

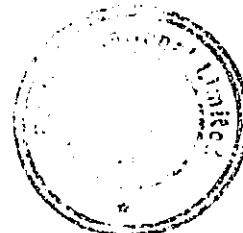


For and on behalf of the Board of Directors

  
Vinod Kumar Soni  
Director

  
Subhas Lalliah  
Director

May 11, 2022



**EC International Limited**

**Statement of changes in Equity**

(Currency : Indian rupees)

	Equity	Other equity				Total
		Retained earnings	Capital Reserve	Debt Instrument through other comprehensive	Foreign exchange translation difference	
Balance at 1 April 2020 (Ind AS)	62,00,250	15,87,75,987	(2,62,65,524)	(1,30,39,513)	3,54,29,505	16,11,00,705
Profit for the year	-	26,60,30,543			-	26,60,30,543
Other comprehensive Income	-	-		(16,49,012)	(1,93,02,940)	(2,09,51,952)
Total Comprehensive Income for the year	-	26,60,30,543		(16,49,012)	(1,93,02,940)	24,50,78,591
Dividend to Equity shareholder		(50,71,82,430)		-	-	(50,71,82,430)
Balance at 31 March 2021 (Ind AS)	62,00,250	(8,23,75,900)	(2,62,65,524)	(1,46,88,525)	1,61,26,566	(10,10,03,135)
Profit for the year	-	(2,30,92,914)			-	(2,30,92,914)
Other comprehensive Income	-	-		-	(35,68,518)	(35,68,518)
Total Comprehensive Income for the year	-	(2,30,92,914)		-	(35,68,518)	(2,66,61,432)
Dividend to Equity shareholder		-				-
Balance at 31 March 2022 (Ind AS)	62,00,250	(10,54,68,814)	(2,62,65,524)	(1,46,88,525)	1,25,58,048	(12,76,64,568)

**Note:**

1. EC Global Limited ("ECG"), the wholly owned subsidiary of EC International Limited ("the Company") has been amalgamated with the Company with effective from 1 September 2020 as per the certificate of amalgamation received from the registrar of Companies. Both ECG and the Company were under the common control of Edelweiss Financial Service Limited as per IndAS 103. Accordingly, the comparative amount of previous periods/year have been restated as if ECG and the Company had been combined at the earliest comparative period presented i.e. 1 April 2019.

**Nature and purpose of reserves**

**Foreign exchange translation reserve**

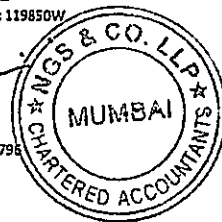
The functional currency of the Company is United States Dollars. These financial statements are prepared and presented in INR which is the functional currency of the Parent Entity, for the purpose of consolidation. Foreign Exchange Transactional Reserve represents the exchange difference arising on translation difference arising on conversion of financial statements from functional currency to presentation currency.

As per our report of even date attached.

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

R. P. Soni  
Partner  
Membership No.: 104798

May 11, 2022



For and on behalf of the Board of Directors

Vinod Kumar Soni  
Director

May 11, 2022

Subira S Lallah  
Director



# EC International Limited

## Notes to the financial statements

(Currency :Indian Rupees)

### 1. Background

EC International Limited ("the Company") was incorporated as a private company limited by shares in the Republic of Mauritius on 11 December 2008. The address of the Company's registered office is c/o CITCO (Mauritius) Limited 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius. The principal activity of the Company is to invest in the shares and securities of other body corporates.

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited which is incorporated in India.

The Company holds a Category 1 Global Business License issued by the Financial Services Commission.

### 2. Basis of preparation of financial statements and Functional Currency

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 rupees (INR), which is the functional currency of the ultimate holding company.

The assets and liabilities are translated into INR at the spot rate of exchange prevailing at the reporting date and their statement of profit and loss are translated at average exchange rate prevailing during the year. The exchange differences arising on translation are recognised in OCI and accumulated as a separate component of other equity.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value. The Financial Statements are presented in INR.

#### 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. 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, 2022 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.

#### Going Concern

The entity being a holding company does not have any business operations. The management is in the process of evaluating a plan to voluntary liquidate the company on completion of sale of investments in subsidiary and group entities.

All the borrowings at 31 March 2022 are with the group entities. The Company does not have any third party loans or borrowings. The parent, Edelweiss Financial Services Limited ("the holding company") has through a support letter, undertakes to provide sufficient financial resources so as to enable the Company to continue its operations on a going concern basis at least for the next 12 months from the date of sign off of the separate financial statements.



**3. Presentation 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 (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 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 23.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

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

**4. Significant accounting policies**

**4.1 Recognition of Interest and Dividend Income**

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

Dividend income is recognised in profit or loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

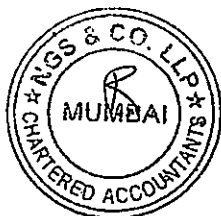
**4.2 Financial Instruments**

**4.2.1 Date of recognition**

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

**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.



# EC International Limited

## Notes to the financial statements

(Currency :Indian Rupees)

### 4. Significant accounting policies (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 derecognized.

### 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 cash flow
- Selling a financial asset because of significant increase in credit risk.

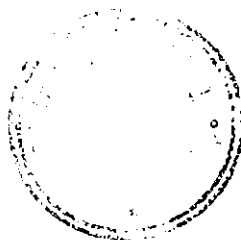
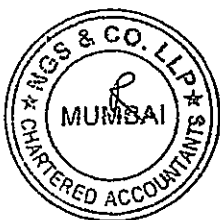
Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- 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.



# EC International Limited

## Notes to the financial statements

(Currency :Indian Rupees)

### 4. Significant accounting policies (continued)

#### Amortized cost and Effective interest method(continued)

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 Investment in equity instruments of subsidiaries

Investments in subsidiary companies are carried at cost and are assessed on a regular basis for impairment. Subsidiaries are entities that are controlled by the Company.

#### 4.3.2 Financial liabilities

All financial liabilities are measured at amortised cost.

#### 4.3.2.1 Debt securities and other borrowed funds

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

#### 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. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a Company of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of



4.3 Classification of financial instruments (continued)

instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

4.3.3. Financial liabilities and equity instruments

Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

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

4.4 Reclassification of financial assets and financial liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

4.5 Derecognition of financial assets and financial liabilities

4.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

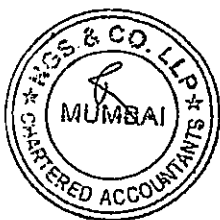
If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

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

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

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.





# EC International Limited

## Notes to the financial statements

(Currency :Indian Rupees)

### 4. Significant accounting policies (continued)

#### 4.5 Derecognition of financial assets and financial liabilities (continued)

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

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.

##### 4.5.4 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

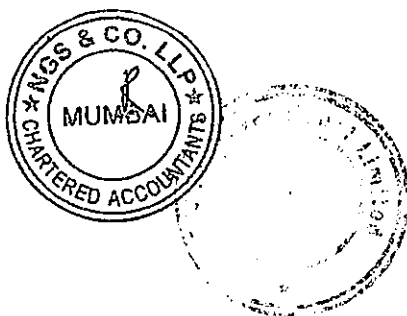
Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial 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, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade 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. 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 ECL.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) 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 an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.



# EC International Limited

## Notes to the financial statements

(Currency :Indian Rupees)

### 4. Significant accounting policies (continued)

#### 4.6 Impairment of financial assets (continued)

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 (EAD). 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 ECL 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 ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined ECL exceed the gross carrying amount of the financial asset, the ECL 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.

#### 4.7 Write off

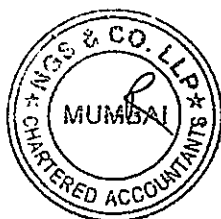
Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

#### 4.8 Determination of fair value

The Company measures financial instruments 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.



## EC International Limited

### Notes to the financial statements

(Currency :Indian Rupees)

#### 4. Significant accounting policies (continued)

##### 4.8 Determination of fair value (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

##### 4.9 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

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



# EC International Limited

## Notes to the financial statements

(Currency :Indian Rupees)

### 4. Significant accounting policies (continued)

#### 4.10 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

#### 4.11 Impairment of non-financial assets

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

#### 4.12 Cash and cash equivalents

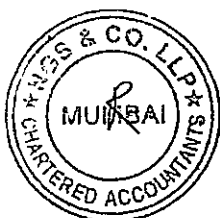
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand.

#### 4.13 Provisions and other contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.



# EC International Limited

## Notes to the financial statements

(Currency :Indian Rupees)

### 4. Significant accounting policies (continued)

#### 4.14 Income tax expenses

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

##### 4.14.4 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### 4.14.5 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are also recognised with respect to carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

##### 4.14.6 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



# EC International Limited

## Notes to the financial statements

(Currency :Indian Rupees)

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

##### 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 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.



# EC International Limited

## Notes to the financial statements

(Currency :Indian Rupees)

### 5.2 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's EIR methodology, as explained in Note 4.3.1.1, 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.



**EC International Limited**

**Notes to the financial statements**

(Currency :Indian Rupees)

**5.2 Key sources of estimation uncertainty (continued)**

**5.2.4 Accounting for deferred taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**6 Standards issued but not yet effective**

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



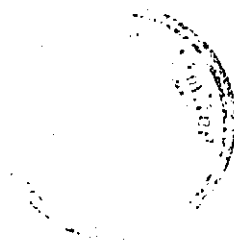
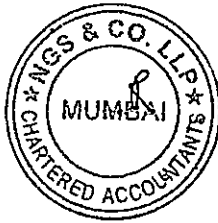


# EC International Limited

## Notes to the financial statements(Continued)

(Currency : Indian rupees)

		As at	As at
Particulars		March 31,2022	March 31, 2021
7	Cash and cash equivalents		
	Balances with banks		
	- in current accounts	76,80,259	1,98,987
	Total	76,80,259	1,98,987



## 8. Investments

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Measured at Fair Value Through OCI</b>		
(a) Unquoted, Outside India		
In units of fund		
-Blue River Capital LLC	1,17,56,447	1,12,75,510
	1,17,56,447	1,12,75,510
Less: Allowance for Impairment	-1,17,56,447	-1,12,75,510
<b>Net Investment</b>	-	-

## Credit quality of assets

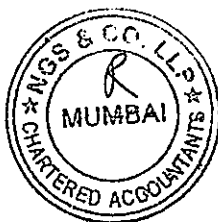
The table below shows the gross carrying amount of the Group's investments measured at FVOCI by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances.

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Gross carrying amount	Gross carrying amount
	(Stage 3)	(Stage 3)
High grade	-	-
Standard grade	-	-
Individually impaired	1,17,56,447	1,12,75,510
<b>Total</b>	<b>1,17,56,447</b>	<b>1,12,75,510</b>

## Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

	2021-22		2020-21			
	Gross Carrying amount	12 months ECL allowance	Gross Carrying amount	12 months ECL allowance	Gross Carrying amount	12 months ECL allowance
	(Stage 3)	(Stage 3)	(Stage 1)	(Stage 1)	(Stage 3)	(Stage 3)
Gross carrying amount - opening balance	1,12,75,510	-	1,31,03,351	-	-	-
New assets originated or purchased	1,28,617	-	1,04,783	-	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	-	(1,17,56,447)	-	-	-	-
Interest income during the period	-	-	-	-	-	-
Foreign Exchange and fair value through OCI	3,52,320	-	(19,32,623)	-	-	-
Transfer to Stage 1	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-
Transfer to Stage 3	-	-	(1,12,75,510)	-	1,12,75,510	-1,12,75,510
<b>Gross carrying amount - closing balance</b>	<b>1,17,56,447</b>	<b>(1,17,56,447)</b>	<b>-</b>	<b>-</b>	<b>1,12,75,510</b>	<b>-1,12,75,510</b>

These amounts represent Gross carrying amounts before ECL allowance (i.e. cost plus interest accrued). These investments are presented at fair value in the balance sheet. Difference between amount presented in the balance sheet and above table is the fair value which is Nil million as on March 31, 2022. (As on March 31, 2021 the amount is nil millions)



# EC International Limited

## Notes to the financial statements(Continued)

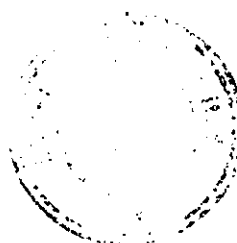
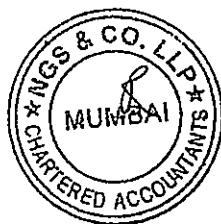
(Currency : Indian rupees)

### 8 Investments (continued)

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted shares at cost		
Investments in ordinary shares of wholly owned subsidiaries, outside India		
Aster Commodities DMCC	-	22,01,83,785
EAAA LLC	8,34,48,260	8,09,35,731
EW Special Opportunities Advisors LLC	40,48,726	39,26,842
Gross amount	8,74,96,986	30,50,46,358
Less: Allowance for impairment	(7,30,30,082)	(8,53,10,380)
Net amount	1,44,66,904	21,97,35,978

### 9 .Other Financial Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Advances recoverable in cash or in kind or for value to be received (financial assets)	-	12,203
Total	-	12,203



# EC International Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

## 10 Property, Plant and Equipment

Description of Assets	Gross Block					Depreciation					Net Block	
	As at 1 April 2021	Additions during the year	Disposals during the year	Other adjustments (as applicable)	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals during the year	Other adjustments (as applicable)	Revaluation adjustment, if any	As at 31 March 2022	As at 31 March 2022
1-Phone					-							-
Computer & Laptop	1,52,521			4,734	1,57,255	1,52,521			4,733		1,57,254	-
<b>Total</b>	<b>1,52,521</b>			<b>4,734</b>	<b>1,57,255</b>	<b>1,52,521</b>			<b>4,733</b>		<b>1,57,254</b>	<b>-</b>

Description of Assets	Gross Block					Depreciation					Net Block	
	As at 1 April 2020	Additions during the year	Disposals during the year	Other adjustments (as applicable)	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals during the year	Other adjustments (as applicable)	Revaluation adjustment, if any	As at 31 March 2021	As at 31 March 2021
1-Phone					-							-
Computer & Laptop	1,68,938			16,417	1,85,355	1,51,889	12,014		11,382		1,52,521	-
<b>Total</b>	<b>1,68,938</b>			<b>16,417</b>	<b>1,85,355</b>	<b>1,51,889</b>	<b>12,014</b>		<b>11,382</b>		<b>1,52,521</b>	<b>-</b>

(\*) Other adjustment represent movement in foreign exchange difference arising due to conversion from functional currency to presentation currency.

## 10 (a) Other Intangible Assets

Description of Assets	Gross Block					Depreciation					Net Block	
	As at 1 April 2021	Additions during the year	Disposals during the year	Other adjustments (as applicable)	As at 31 March 2022	As at 1 April 2021	Charge for the year	Disposals during the year	Other adjustments (as applicable)	Revaluation adjustment, if any	As at 31 March 2022	As at 31 March 2022
Software	55,861			1,733	57,594	55,861			1,734		57,595	-
<b>Total</b>	<b>55,861</b>			<b>1,733</b>	<b>57,594</b>	<b>55,861</b>			<b>1,734</b>		<b>57,595</b>	<b>-</b>

Description of Assets	Gross Block					Depreciation					Net Block	
	As at 1 April 2020	Additions during the year	Disposals during the year	Other adjustments (as applicable)	As at 31 March 2021	As at 1 April 2020	Charge for the year	Disposals during the year	Other adjustments (as applicable)	Revaluation adjustment, if any	As at 31 March 2021	As at 31 March 2021
Software	65,055			9,194	74,249	46,986	2,734		6,141		55,861	-
<b>Total</b>	<b>65,055</b>			<b>9,194</b>	<b>74,249</b>	<b>46,986</b>	<b>2,734</b>		<b>6,141</b>		<b>55,861</b>	<b>-</b>

(\*) Other adjustment represent movement in foreign exchange difference arising due to conversion from functional currency to presentation currency.

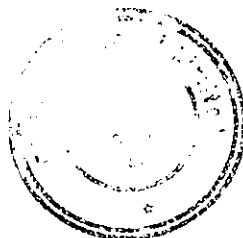


**EC International Limited****Notes to the financial statements(Continued)**

(Currency : Indian rupees)

**11 Other non-financial assets**

Particulars	As at	As at
	March 31,2022	March 31, 2021
Prepaid expenses	-	35,454
Advances recoverable in cash or in kind or for value to be received	-	2,790
Total	-	38,244



(Currency - Indian rupees)

12	Trade Payables Payable to: Related party Others (includes sundry creditors, provision for expenses, customer payables and net payable against Government Securities)	As at March 31, 2022	As at March 31, 2021
		33,44,376	26,91,118
		<u>33,44,376</u>	<u>26,91,118</u>

## Trade Payable Aging as:

Particulars	Outstanding for March 31, 2022 from March 31, 2021 of Payment				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-
(ii) Others	33,44,376	-	-	-	33,44,376
(iii) Deposited dues - MSME	-	-	-	-	-
(iv) Deposited dues - Others	-	-	-	-	-
Total	33,44,376	-	-	-	33,44,376

Particulars	Outstanding for March 31, 2021 from March 31, 2020 of Payment in				Total
	Less than 1 Year	1-2 Years	2-3 years	More than 3 years	
(a) MSME	-	-	-	-	-
(ii) Others	26,91,118	-	-	-	26,91,118
(iii) Deposited dues - MSME	-	-	-	-	-
(iv) Deposited dues - Others	-	-	-	-	-
Total	26,91,118	-	-	-	26,91,118

Unbilled amount due of March 2022 is Rs 17,14,644 (March 2021 - Rs 16,62,044)



# EC International Limited

## Notes to the financial statements(Continued)

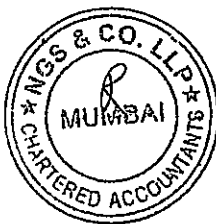
(Currency : Indian rupees)

### 13. Borrowing (other than debt securities)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
At amortised cost		
Loan from Subsidiaries:		
From Edelweiss International (Singapore) Pte. Ltd	14,64,43,493	14,07,40,699.00
From Aster Commodities DMCC	-	17,74,76,290
Total	14,64,43,493	31,82,16,989
Particulars	As at	As at
	March 31, 2022	March 31, 2021
Loans in India	-	-
Loans outside India	14,64,43,493	31,82,16,989
Total	14,64,43,493	31,82,16,989

Loan from Edelweiss International (Singapore) Pte.Ltd is unsecured and repayable on demand and bears a fixed interest rate of 6.25% p.a for the financial year ended 31 March 2022 and 6.50% for the financial year ended 31 March 2021 ,compounded monthly.

Loan taken from Aster Commodities Limited is unsecured and repayable on demand. It bears an interest rate of Nil for the year ended 31 March 2022 and 31 march 2021.



## 14. Issued Capital

Particulars	As at	As at
	March 31, 2022	31 March 2021
Equity share capital		
Issued, Subscribed and Paid up:		
125,000 (Previous year: 125,000) Ordinary shares of USD 1 each, fully paid-up	62,00,250	62,00,250
Total	62,00,250	62,00,250

(The entire share capital is held by Edelweiss Financial Services Limited, the holding company)

## a. Movement in share capital :

Particulars	31 March 2022		31 March 2021	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	1,25,000	62,00,250	1,25,000	62,00,250
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	1,25,000	62,00,250	1,25,000	62,00,250

## b. Terms/rights attached to equity shares :

The Company has only one class of equity shares having a par value of Re 1/-. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity 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 equity shares held by the shareholders.

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

	31 March 2022		31 March 2021	
	No of shares	%	No of shares	%
Holding company				
Edelweiss Financial Services Limited	62,00,250	100.00%	62,00,250	100.00%
	62,00,250	100.00%	62,00,250	100.00%

Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2022		31 March 2021	
	No of shares	%	No of shares	%
Edelweiss Financial Services Limited (Holding Company)	62,00,250	100.00%	62,00,250	100.00%
	62,00,250	100.00%	62,00,250	100.00%





15 Dividend Income

Particulars	For the year Ended March 31 2022	For the year Ended March 31 2021
Dividend on long term Investment	-	38,10,28,659
Total	-	38,10,28,659



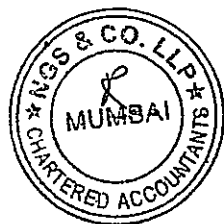
# EC International Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

## 16 Other income

Particulars	for the year ended March 31, 2022	for the year ended March 31, 2021
Miscellaneous Income	-	9,55,851
	-	9,55,851



**EC International Limited****Notes to the financial statements(Continued)**

(Currency : Indian rupees)

**17 Finance costs**

Particulars	For the year Ended March 31 2022	For the year Ended March 31 2021
Interest cost :		
Interest on loan from fellow subsidiaries	87,31,630	1,25,67,614
Financial and bank charges	2,91,285	3,55,824
<b>Total</b>	<b>90,22,915</b>	<b>1,29,23,438</b>

**18 Impairment on financial instruments**

Particulars	For the year Ended March 31 2022	For the year Ended March 31 2021
Impairment loss	(1,47,00,255)	9,59,28,605
<b>Total</b>	<b>(1,47,00,255)</b>	<b>9,59,28,605</b>



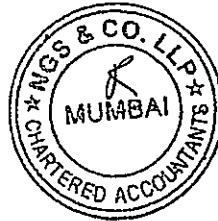
**EC International Limited****Notes to the financial statements(Continued)**

(Currency : Indian rupees)

**19 Other expenses**

Particulars	For the year Ended March 31 2022	For the year Ended March 31 2021
Auditors' remuneration	15,77,374	17,32,985
Directors' sitting fees	3,99,169	5,81,737
Foreign exchange loss (net)	2,844	10,577
Legal and professional fees	14,24,556	35,96,339
Write off fixed assets	-	7,501
Rates and taxes	-	1,44,000
ROC Expenses	50,151	1,89,189
Loss on sale of investments	2,53,16,383	-
<b>Total</b>	<b>2,87,70,478</b>	<b>62,62,329</b>

<b>Auditors' remuneration:</b>		
As Auditors	15,77,374	17,32,985
	15,77,374	17,32,985



# EC International Limited

## Notes to the financial statements(continued)

(Currency : Indian rupees)

### 20. Income tax disclosures

The components of income tax expense for the years ended 31 March 2022 and 2021 are:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
Current tax	(222)	2,17,896
Adjustment in respect of current income tax of prior years	-	6,06,952
Deferred Tax	-	-
<b>Total Tax Charge</b>	<b>(222)</b>	<b>8,24,848</b>

### 20.1 Reconciliation of the total tax charge

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Accounting profit before tax as per financial statements	(2,30,93,136)	26,68,55,391
Tax rate (in percentage)	15.00%	15.00%
Income tax expense calculated based on this tax rate	(34,63,970)	4,00,28,309
Adjustment in respect of current income tax of prior years	-	(6,06,952)
Effect of income not subject to tax:		
Others	-	(28,16,699)
Effect of non-deductible expenses:		
Penalties		-
Others	15,92,419	1,55,93,284
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised OR deferred tax assets on losses earlier recognised now considered not recoverable	-	(5,10,13,642)
Effect of non-recognition of deferred tax asset on current-period losses	19,05,174	-
Others	(33,401)	(3,59,451)
<b>Tax expense reported in statement of profit and loss</b>	<b>222</b>	<b>8,24,848</b>

Details of temporary differences where deferred tax assets have not been recognised in the balance sheet

As at 31 March 2022			As at 31 March 2021		
Unused tax losses			Unused tax losses		
Financial Year to which the loss relates to	Amount	Expiry year - financial year	Financial Year to which the loss relates to	Amount	Expiry year - financial year
31-03-2017	7,94,22,985	31-03-2022	31-03-2017	7,34,38,031	31-03-2022
<b>Total</b>	<b>7,94,22,985</b>		<b>Total</b>	<b>7,34,38,031</b>	



EC International Limited

Notes to the financial statements(continued)

(Currency : Indian rupees)

21. Earning per share

Particulars	2,022	2,021
a) Shareholders earnings (as per statement of profit and loss)	-2,30,92,914	26,60,30,543
Less: Preference dividend declared by the Company (including dividend distribution tax)	-	-
Net Profit available to equity shareholders for the purpose of calculating basic and diluted earnings per share	-2,30,92,914	26,60,30,543
b) Calculation of weighted average number of equity shares of USD 1 each:		
- Number of shares at the beginning of the year	1,25,000	1,25,000
- Number of shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	1,25,000	1,25,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,25,000	1,25,000
c) Number of dilutive potential equity shares	-	-
d) Basic earnings per share (in INR) (a/b)	-185	2,128
e) Diluted earnings per share (in INR) (a/(b+c))	-185	2,128



# EC International Limited

Notes to the financial statements

(Currency: Indian rupees)

## 22 Segment Information

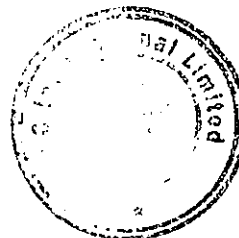
The Company's business is organised and Management reviews the performance based on the business segments mentioned are below

Segment	Activities Covered
Capital based	Income from investment and dividend income
Treasury Based	Income from treasury operation

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable with individual segments or have been allocated to segments on a systematic basis

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared

Particulars	Year ended	
	March 31, 2022 (Audited)	March 31, 2021 (Audited)
<b>1 Segment revenue [Total Income]</b>		
Agency	-	-
Capital Business	-	38,19,84,510
Treasury Business	-	-
Insurance business	-	-
Unallocated	-	-
Total Income	-	38,19,84,510
<b>2 Segment results [Profit / (Loss) before tax]</b>		
Agency	-	-
Capital Business	(2,30,93,136)	26,68,55,391
Treasury Business	-	-
Insurance business	-	-
Unallocated	-	-
Profit / (Loss) before tax	(2,30,93,136)	26,68,55,391
Less:		
(a) Interest	-	-
(b) Unallocated net expenditure	-	-
Total Profit before tax	(2,30,93,136)	26,68,55,391
<b>3 Segment Assets</b>		
Agency	-	-
Capital Business	2,21,47,163	21,99,85,412
Treasury Business	-	-
Insurance business	-	-
Unallocated	-	-
Total assets	2,21,47,163	21,99,85,412
<b>4 Segment Liabilities</b>		
Agency	-	-
Capital Business	14,98,11,768	32,09,88,587
Treasury Business	-	-
Insurance business	-	-
Unallocated	-	-
Total liabilities	14,98,11,768	32,09,88,587
<b>5 Capital employed [Segment assets - Segment liabilities]</b>		
Agency	-	-
Capital Business	(12,76,64,605)	(10,10,03,175)
Treasury Business	-	-
Insurance business	-	-
Unallocated	-	-
Total capital employed	(12,76,64,605)	(10,10,03,175)



Notes to the financial statements(continued)

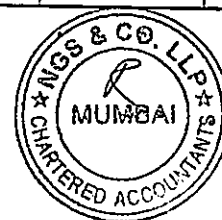
(Currency : Indian rupees)

23. 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. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	76,80,259	-	76,80,259	1,98,987	-	1,98,987
Investments	1,44,66,904	-	1,44,66,904	21,97,35,978	-	21,97,35,978
Other financial assets	-	-	-	12,203	-	12,203
	<b>2,21,47,163</b>	<b>-</b>	<b>2,21,47,163</b>	<b>21,99,47,168</b>	<b>-</b>	<b>21,99,47,168</b>
<b>Non-financial assets</b>						
Property, plant and equipment	-	-	-	-	-	-
Other intangible assets	-	-	-	-	-	-
Other non-financial assets	-	-	-	38,244	-	38,244
	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,244</b>	<b>-</b>	<b>38,244</b>
<b>Total assets (A)</b>	<b>2,21,47,163</b>	<b>-</b>	<b>2,21,47,163</b>	<b>21,99,85,412</b>	<b>-</b>	<b>21,99,85,412</b>

Particulars	As at 31 March 2022			As at 31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Trade payables	33,68,276	-	33,68,276	26,71,118	-	26,71,118
Borrowing (other than debt securities)	14,64,43,492	-	14,64,43,492	31,82,16,987	-	31,82,16,987
Other financial liabilities	-	-	-	-	-	-
	<b>14,98,11,768</b>	<b>-</b>	<b>14,98,11,768</b>	<b>32,08,88,105</b>	<b>-</b>	<b>32,08,88,105</b>
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	-	-	-	1,00,481	-	1,00,481
	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,00,481</b>	<b>-</b>	<b>1,00,481</b>
<b>Total liabilities (B)</b>	<b>14,98,11,768</b>	<b>-</b>	<b>14,98,11,768</b>	<b>32,09,88,586</b>	<b>-</b>	<b>32,09,88,586</b>
<b>Net (A-B)</b>	<b>-12,76,64,605</b>	<b>-</b>	<b>-12,76,64,605</b>	<b>-10,10,03,174</b>	<b>-</b>	<b>-10,10,03,174</b>





## EC International Limited

### Notes to the financial statements(continued)

(Currency : Indian rupees)

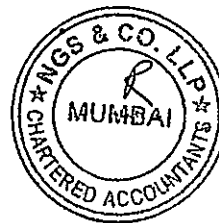
#### 24. Change in liabilities arising from financing activities

Particulars	1 April 2021	Cash flows	Changes in fair values	Exchange differences	Others*	31 March 2022
Borrowings (other than debt securities)	31,82,16,987	(74,49,323)	-	77,41,135	(17,20,65,307)	14,64,43,493
<b>Total liabilities from financing activities</b>	<b>31,82,16,987</b>	<b>(74,49,323)</b>	<b>-</b>	<b>77,41,135</b>	<b>(17,20,65,307)</b>	<b>14,64,43,493</b>

Particulars	1 April 2020	Cash flows	Changes in fair values	Exchange differences	Others*	31 March 2021
Borrowings (other than debt securities)	17,22,63,930	13,90,12,467	-	(56,27,024)	1,25,67,614	31,82,16,987
<b>Total liabilities from financing activities</b>	<b>17,22,63,930</b>	<b>13,90,12,467</b>	<b>-</b>	<b>(56,27,024)</b>	<b>1,25,67,614</b>	<b>31,82,16,987</b>

\* Includes effect of interest charge for the year



# EC International Limited

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

## 25. Related party disclosures

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

Edelweiss Financial Services Limited

Ultimated holding company

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

Aster Commodities DMCC

Edelweiss International (Singapore) Pte Limited

Edelweiss Rural & Corporate Services Limited

1.EC Global Limited ("ECG"), the wholly owned subsidiary of EC International Limited ("the Company") has been amalgamated with the Company with effective from 1 September 2020 as per the certificate of amalgamation received from the registrar of Companies.Both ECG and the Company were under the common control of Edelweiss financial Service Limited as per IndAS 103. Accordingly, the comparative amount of previous periods/year have been restated as if ECG and the Company had been combined at the earliest comparative period presented i.e. 1 April 2019.



# EC International Limited

(Currency: Indian rupees)

## 25. Related party disclosures (continued)

### (B) Transactions with related parties :

Nature of transaction	Related party name	31-Mar-22	31-Mar-21
Capital account transactions during the year			
Capital repatriation towards investment in Aster	Aster Commodities DMCC	1,78,43,640	-
Current account transactions during the year			
Short term loans repaid to (refer note below)	Edelweiss International (Singapore) Pte. Ltd.	(1,47,22,000)	-
Short term loans repaid to (refer note below)-Max credit	Edelweiss International (Singapore) Pte. Ltd.	(1,47,22,000)	7,83,33,674
	EAAA LLC	-	1,76,35,978
	Aster Commodities DMCC	-	5,32,88,830
Short term loan repaid to (refer note below)-Aggregate of credit	Edelweiss International (Singapore) Pte. Ltd.	(1,47,22,000)	7,83,33,674
	EAAA LLC	-	3,95,23,866
	Aster Commodities DMCC	-	5,36,91,190
Short term loans taken from (refer note below)-Max debit	Edelweiss International (Singapore) Pte. Ltd.	74,56,750	20,02,13,747
	Aster Commodities DMCC	-	10,16,00,240
Short term loans taken from (refer note below)-Aggregate of debit	Edelweiss International (Singapore) Pte. Ltd.	74,56,750	21,94,15,293
	Aster Commodities DMCC	-	10,16,00,240
Interest Expense on loans from	Edelweiss International (Singapore) Pte. Ltd.	87,31,630	1,24,97,456
	EAAA LLC	-	70,159
Dividend Income	Aster Commodities DMCC	-	38,10,28,659
Interim dividend	Edelweiss Financial Services Limited	-	50,71,82,430
Sale of fixed assets to	EAAA LLC	-	12,203

### (C) Balances with related parties :

Nature of transaction	Related party name	31-Mar-22	31-Mar-21
Short term borrowings from	EAAA LLC	-	-
	Edelweiss International (Singapore) Pte. Ltd.	12,95,87,202	13,30,36,524
	Aster Commodities DMCC	-	17,74,76,290
Interest payable	EAAA LLC	-	-
	Edelweiss International (Singapore) Pte. Ltd.	1,68,56,291	77,04,175
Investments in Ordinary shares of	Aster Commodities DMCC	-	19,84,90,106
	EAAA LLC	1,44,65,656	2,10,26,778
	EW Special Opportunities Advisors LLC	-	2,17,280
Investments in Class B shares of	EAAA LLC	1,248	1,814
Receivable from EAAA LLC	EAAA LLC	-	12,203

#### 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/aggregate of debit and credit amount given/taken and placed / refund received during the reporting period.



## EC International Limited

Notes to the financial statements(continued)

(Currency: Indian rupees)

### 26. Contingent liabilities, commitments and leasing arrangements

#### 26.1 Contingent liabilities

The Company has no contingent liabilities (2021: Nil) as at the balance sheet date.

#### 26.2 Capital commitments

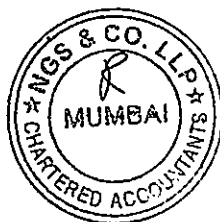
Estimated amount of contracts remaining to be executed on capital account and not provided for – Rs. Nil (net of advances) (2021: Nil)

#### 26.3 Legal Claim

There are no legal claims outstanding against the Company as at 31 March 2022 (2021: Nil). Also, the company has Rs. Nil (2021: Rs. Nil) contingent liabilities as at the balance sheet date

#### 26.4 Operating leases

The company has taken premises on operating lease. Gross rental expenses for the year ended 31 March 22 Rs Nil. (2021: Rs. Nil) which has been included under the head other expenses – Rent – in note 19 of the statement of profit and loss.



# EC International Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 27. Fair value measurement

#### 27.1. Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

Particulars	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives		-	-	-
OTC derivatives	-		-	-
Total derivative financial instruments (assets) (A)	-	-	-	-
Investments				
Investment in units of Fund	-	-	-	-
Total investments measured at fair value (B)	-	-	-	-
Total financial assets measured at fair value on a recurring basis (A+B)	-	-	-	-

Particulars	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (Liabilities):				
Exchange-traded derivatives	-			-
OTC derivatives		-		-
Total derivative financial instruments (liabilities) (A)	-	-	-	-
Investments				
Investment in units of Fund			-	-
Total financial liabilities designated at FVTPL (B)	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis (A+B)	-	-	-	-

Financial Assets / Financial Liabilities	Fair Value hierarchy	Valuation technique and key inputs
Equity - futures & options	Level 1	Quoted prices in an active Market
Index - futures & options	Level 1	
Currency Futures & options	Level 1	
Interest rate futures	Level 1	
Government debt securities & treasury bills	Level 1	
Equity shares	Level 1	
Currency forward & spot	Level 2	Quotes price from broker
Interest rate swaps	Level 2	
Total return swaps	Level 2	
Credit default swaps	Level 2	



# EC International Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 27.2. Transfer between Level 1 and Level 2

There were no transfers between Level 1 and Level 2 in 2022 and 2021

### 27.3. Financial Instruments not measured at fair value

No disclosure has been provided since the carrying value of the financial assets and liabilities not measured at fair value approximates their fair values due to the short term nature of these balances.

### 27.4. Movement in level 3 financial instruments measured at fair value

The following tables show a reconciliation of the opening and closing amounts of Level 3 financial assets and liabilities which are recorded at fair value.

Particulars	Financial assets	Total
	Investments in Units of Fund	
At 1 April 2021	-	-
Purchase	1,28,617	1,28,617
Gains / (losses) for the period (2021-22) recognised in profit or loss	-1,28,617	-1,28,617
Gains / (losses) for the period (2021-22) recognised in other comprehensive income	-	-
At 31 March 2022	-	-
Unrealised gains / (losses) related to balances held at the end of the period	-	-

Particulars	Financial assets	Total
	Investments in Units of Fund	
At 1 April 2020	1,31,03,351	1,31,03,351
Purchase	1,04,783	1,04,783
Gains / (losses) for the period (2020-21) recognised in profit or loss	(1,12,75,510)	-1,12,75,510
Gains / (losses) for the period (2020-21) recognised in other comprehensive income	(19,32,624)	-19,32,624
At 31 March 2021	-	-
Unrealised gains / (losses) related to balances held at the end of the period	(19,32,624)	(19,32,624)



# EC International Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

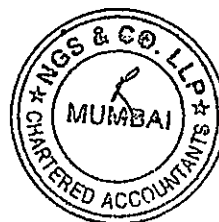
## 28 Unobservable inputs used in measuring fair value categorised within Level 3

Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of Financial Instruments	Fair value of asset as on 31 March 2022	Fair value of liability as on 31 March 2022	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Units of Fund	-	-	Net Asset Approach	Fair Value of Underlying investment	0	5%	-	5%	-
<b>Total</b>	<b>-</b>	<b>-</b>					<b>-</b>		<b>-</b>

## b. Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of Financial Instruments	Fair value of asset as on 31 March 2021	Fair value of liability as on 31 March 2021	Valuation Techniques	Significant Unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Units of Fund	-	-	Net Asset Approach	Fair Value of Underlying investment	0	5%	-	5%	-
<b>Total</b>	<b>-</b>	<b>-</b>					<b>-</b>		<b>-</b>



## EC International Limited

### Notes to the financial statements(continued)

(Currency : Indian rupees)

#### 29. Risk Management

Company has operations in Mauritius. 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.

##### 29.1 Analysis of risk concentration

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

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

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

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

Particulars	Financial services	
	31-03-2022	31-03-2021
Financial assets		
Cash and cash equivalent	76,80,259	1,98,987
Investment in subsidiaries	1,44,66,904	21,97,35,978
Other Financial Assets	-	12,203
Total	2,21,47,163	21,99,47,168

##### 29.2 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





**EC International Limited****Notes to the financial statements(continued)**

(Currency : Indian rupees)

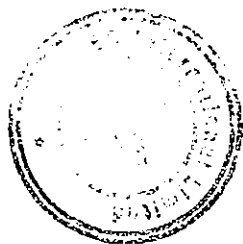
**29.2.1 Analysis of non-derivative financial liabilities by remaining contractual maturities**

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

As at 31 March 2022	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Trade payables	-	33,68,276	-	-	-	-	33,68,276
Borrowings (other than debt securities)	14,64,43,492	-	-	-	-	-	14,64,43,492
Other financial liabilities	-	-	-	-	-	-	-
<b>Total undiscounted non-derivative financial liabilities</b>	<b>14,64,43,492</b>	<b>33,68,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,98,11,768</b>

As at 31 March 2021	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Trade payables	-	26,71,118	-	-	-	-	26,71,118
Borrowings (other than debt securities)	31,82,16,987	-	-	-	-	-	31,82,16,987
<b>Total undiscounted non-derivative financial liabilities</b>	<b>31,82,16,987</b>	<b>26,71,118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,08,88,105</b>



**EC International Limited****Notes to the financial statements(continued)**

(Currency : Indian rupees)

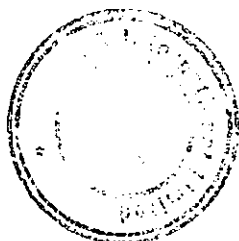
**29.2.2 Analysis of non-derivative financial assets by remaining contractual maturities**

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

As at 31 March 2022	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Cash and cash equivalent	76,80,259	-	-	-	-	-	76,80,259
Investments at amortised cost	-	1,44,66,904	-	-	-	-	1,44,66,904
Other Financial assets	-	-	-	-	-	-	-
<b>Total</b>	<b>76,80,259</b>	<b>1,44,66,904</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,21,47,163</b>

As at 31 March 2021	On demand	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Cash and cash equivalent	1,98,987	-	-	-	-	-	1,98,987
Investments at amortised cost	21,97,35,978	-	-	-	-	-	21,97,35,978
Other Financial assets	-	12,203	-	-	-	-	12,203
<b>Total</b>	<b>21,99,34,965</b>	<b>12,203</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,99,47,168</b>



## EC International Limited

### Notes to the financial statements(continued)

(Currency : Indian rupees)

#### 29.3 Financial assets available to support future funding

Following table sets out availability of financial assets to support funding

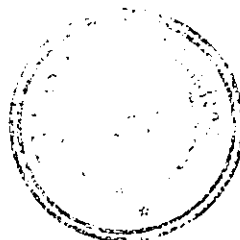
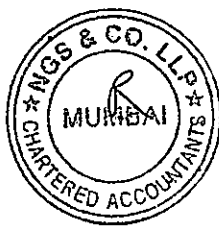
Particulars	Pledge as collateral	Others (1)	31 March 2022		Total Carrying amount
			Available as collateral	Others (2)	
Cash and cash equivalent	-	-	-	76,80,259	76,80,259
Investments	-	-	-	1,44,66,904	1,44,66,904
Other financial assets	-	-	-	-	-
Total assets	-	-	-	2,21,47,163	2,21,47,163

Particulars	Pledge as collateral	Others (1)	31 March 2021		Total carrying Amount
			Available as collateral	Others (2)	
Cash and cash equivalent	-	-	-	1,98,987	1,98,987
Investments	-	-	-	21,97,35,978	21,97,35,978
Other financial assets	-	-	-	12,203	12,203
Total assets	-	-	-	21,99,47,168	21,99,47,168

1. Represents assets which are not pledged and Company 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 Company would not consider readily available to secure funding in the normal course of business



## EC International Limited

### Notes to the financial statements(continued)

(Currency : Indian rupees)

#### 29.4 Market risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed and monitored

##### 29.4.1 Total market risk exposure

Particulars	Carrying amount	31 March 2022		31 March 2021		Non-traded risk
		Traded risk	Non-traded risk	Carrying amount	Traded risk	
<b>Assets</b>						
Cash and cashequivalent	76,80,259	-	76,80,259	1,98,987	-	1,98,987
Other Financial assets	-	-	-	12,203	-	12,203
Investment at FVOCI	-	-	-	-	-	-
<b>Total</b>	<b>76,80,259</b>	<b>-</b>	<b>76,80,259</b>	<b>2,11,190</b>	<b>-</b>	<b>2,11,190</b>
<b>Liability</b>						
Borrowings (other than Debt Securities)	14,64,43,492	-	14,64,43,492	31,82,16,987	-	31,82,16,987
Trade payables	33,68,276	-	33,68,276	26,71,118	-	26,71,118
<b>Total</b>	<b>14,98,11,768</b>	<b>-</b>	<b>14,98,11,768</b>	<b>32,08,88,105</b>	<b>-</b>	<b>32,08,88,105</b>



**EC International Limited**

**Notes to the financial statements(continued)**

(Currency : Indian rupees)

**29.4 Market risk(continued)**

**Other price risk**

		2021-22				
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Impacts on						
Unit of Fund	5	-	-	5	-	-
		2020-21				
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Currency of borrowing /						
advances						
Unit of Fund	5	-	-	5	-	-

**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 arises majorly on account of foreign currency borrowings.

All the financial asset and liabilities are in Company's functional currency and thus the Company is not exposed to any currency risk



EC International Limited  
Notes to the financial statement (continued)

(Currency : Indian rupees )

30. Other Notes

(a) Relationship with Struck off Companies

Below are the transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

Name of the struck off company	Nature of transactions with struck-off Company	Balance outstanding as on March 31, 2022	Relationship with the Struck off company, if any, to be disclosed	Balance outstanding as on March 31, 2021	Relationship with the Struck off company, if any, to be disclosed
Nil	Investments in securities Receivables Payables Shares held by struck off Other outstanding	Nil	Nil	Nil	Nil

(b) During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

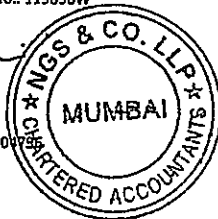
(c) During the year, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

As per our report of even date attached.

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

R. P. Soni  
Partner  
Membership No.: 109786

May 11, 2022



For and on behalf of the Board of Directors

Vinod Kumar Soni  
Director

May 11, 2022

Subhas Talasila  
Director

