

Independent Auditors' Report

To the Members of Edelcap Securities Limited Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Edelcap Securities Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2019, 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

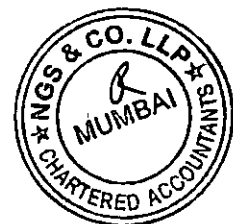
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibilities for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are 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.

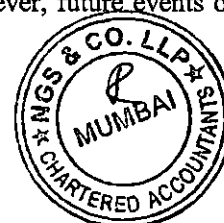
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

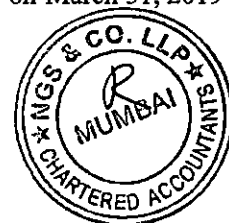
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The comparative Ind AS financial statements of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017, included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements' prepared in accordance with the Companies (Accounting Standards) Rules 2006, have been audited by us and have expressed an unmodified opinion on those statements vide report dated May 02, 2018 and May 16, 2017 for the year ended March 31, 2018 and March 31, 2017 respectively, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

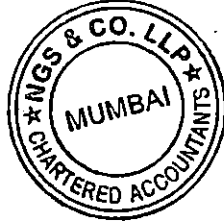
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, 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 Ind AS 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) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



R. P. Soni
Partner
Membership No.:104796

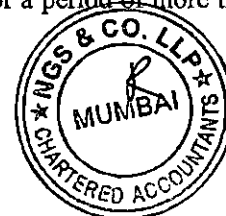
Place: Mumbai
Date: 10 May, 2019

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelcap Securities Limited ('the Company') on the financial statements for the year ended March 31, 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, services tax, sales tax, value added tax, goods and service tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, duty of excise and duty of custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, sales tax, value added tax, service tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us, there are no dues of sales tax, service tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax on account of dispute, is as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	111,293	A.Y. 2014-15	CIT (A)

- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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



R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: 10 May, 2019

Annexure B to the Auditors' Report

Annexure B the Independent Auditor's report of even date on the financial statements of Edelcap Securities Limited ("the Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Edelcap Securities Limited ("the Company")** as of March 31, 2019 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

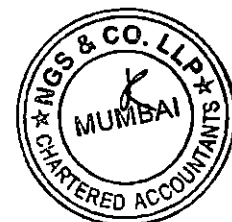
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 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, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: 10 May, 2019

Edelcap Securities Limited

Balance Sheet

(Currency: Indian rupees in millions)

	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
ASSETS				
Financial assets				
Cash and cash equivalents	7	4.64	15.96	36.90
Bank balances other than cash and cash equivalents	8	7.30	6.37	6.35
Derivative financial instruments	9	8.15	0.07	106.91
Stock in trade	10	1,593.82	745.96	1,424.44
Trade receivables	11	0.19	126.07	9.38
Investments	12	3,186.86	3,232.99	2,825.89
Other financial assets	13	1,965.35	883.36	675.37
		<u>6,766.31</u>	<u>5,010.78</u>	<u>5,085.24</u>
Non-financial assets				
Current tax assets (net)	14	41.29	37.01	36.92
Deferred tax assets (net)	15	22.88	32.68	-
Property, plant and equipment	16	8.41	9.13	5.92
Other intangible assets	16	0.97	1.39	0.18
Other non-financial assets	17	21.70	17.40	2.42
		<u>95.25</u>	<u>97.61</u>	<u>45.44</u>
TOTAL ASSETS		<u>6,861.56</u>	<u>5,108.39</u>	<u>5,130.68</u>
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises	18.1	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	66.46	27.39	472.47
Borrowings (other than debt securities)	19	3,456.31	1,506.74	1,087.27
Subordinated liabilities	20	1,839.01	1,634.26	804.65
Other financial liabilities	21	33.00	65.40	52.08
		<u>5,394.78</u>	<u>3,233.79</u>	<u>2,416.47</u>
Non-financial liabilities				
Current tax liabilities (net)	22	9.29	56.46	180.75
Provisions	23	14.31	8.87	5.93
Deferred tax liabilities (net)	15	-	-	67.40
Other non-financial liabilities	24	6.78	26.32	4.54
		<u>30.38</u>	<u>91.65</u>	<u>258.62</u>
EQUITY				
Equity share capital	25	3.00	3.00	3.00
Other equity	26	1,433.40	1,779.95	2,452.59
		<u>1,436.40</u>	<u>1,782.95</u>	<u>2,455.59</u>
TOTAL LIABILITIES AND EQUITY		<u>6,861.56</u>	<u>5,108.39</u>	<u>5,130.68</u>

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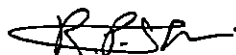
Significant accounting policies and notes forming part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



R. P. Soni

Partner


Membership No.: 104796


Mumbai

10 May 2019



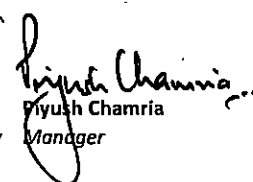
For and on behalf of the Board of Directors


Rituparna Barman Roy
Director
DIN: 08050620


Ashish Gupta
Director
DIN: 07775554


Ritesh S Jain
Chief Financial Officer


Niket Joshi
Company Secretary


Piyush Chamria
Manager

Mumbai
10 May 2019

Edelcap Securities Limited

Statement of Profit and Loss

(Currency: Indian rupees in millions)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Interest income	27	227.66	68.18
Dividend income	28	2.00	277.53
Fee and commission income	29	9.60	9.48
Net gain on fair value changes	30	426.05	955.44
Total revenue from operations		665.31	1,310.63
Other income	31	7.99	-
Total income		673.30	1,310.63
Expenses			
Finance costs	32	596.76	511.11
Impairment on financial instruments	33	(4.21)	0.81
Employee benefits expense	34	243.04	254.67
Depreciation, amortisation and impairment	16	8.61	7.55
Other expenses	35	168.67	134.07
Total expenses		1,012.87	908.21
(Loss)/profit before tax		(339.57)	402.42
Tax expenses:			
Current tax (Includes earlier years of Rs Nil (Previous year Rs (45.03) millions))		(3.36)	79.44
Current tax		(3.36)	124.47
Excess provision for earlier years		-	(45.03)
Deferred tax		9.59	(169.94)
(Loss)/profit for the year		(345.80)	492.92
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans (OCI)		(1.09)	(0.79)
Less:-Tax effect on remeasurement loss on defined benefit plans (OCI)		0.34	0.28
Other comprehensive income		(0.75)	(0.51)
Total comprehensive income		(346.55)	492.41
Earnings per equity share (Face value of Rs 10 each):			
Basic and diluted (in Rs.)	38	(1,152.67)	1,643.06
Significant accounting policies and notes forming part of the financial statements.	1-52		

This is the Statement of Profit and Loss referred to in our report of even date.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W

For and on behalf of the Board of Directors

R. P. Soni

Partner

Membership No.: 104796

Mumbai

10 May 2019



Rituparna Barman Roy
Rituparna Barman Roy
Director
DIN: 08050620

Ashish Gupta
Ashish Gupta
Director
DIN: 07775554

Ritesh S Jain
Ritesh S Jain
Chief Financial Officer

Mumbai

10 May 2019

Niket Joshi
Niket Joshi
Company Secretary

Piyush Chamria
Piyush Chamria
Manager

Edelcap Securities Limited

Cash flow statement

(Currency: Indian rupees in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities		
(Loss)/profit before taxation	(339.57)	402.42
Adjustments for		
Interest income	(0.50)	(0.46)
Depreciation	8.61	7.55
ESOP cost	-	(3.03)
Profit on sale of fixed assets	(0.22)	-
Provision for gratuity and compensated absences	2.97	2.91
Profit on sale of investment	(8.69)	(190.97)
Fair value of financial instruments	20.81	94.22
Interest expense on subordinated liabilities	204.75	100.80
Interest expense	329.20	385.17
Operating cash flow before working capital changes	217.36	798.61
Adjustments for working capital changes		
Increase/(decrease) in financial liabilities (including trade payables)	6.68	(431.76)
(Decrease) / increase in non-financial liabilities	(18.17)	21.03
Increase in fixed deposit including accrued interest	(0.93)	(0.02)
(Increase)/ decrease in derivative financial instruments	(8.08)	106.84
(Increase)/ decrease in stock in trade	(845.44)	662.03
Decrease / (Increase) in trade receivables	125.88	(116.69)
Increase in other financial assets	(1,081.99)	(260.46)
Increase in other non-financial assets	(4.30)	(14.98)
Cash (used in)/ generated from operations	(1,608.99)	764.60
Income tax paid	(47.55)	(133.68)
Net cash (used in)/ generated from operating activities - A	(1,656.54)	630.92
B Cash flow from investing activities		
Purchase of fixed assets	(8.23)	(11.98)
Sale of fixed assets	0.99	0.01
Purchase of investment	(15.00)	(538.79)
Sale of investment	37.89	132.96
Income from investment in fund	8.69	111.94
Interest received	0.50	0.46
Net cash generated from /(used) in investing activities - B	24.84	(305.40)
C Cash flow from financing activities		
Borrowings (other than debt securities) (refer Note 2)	1,953.84	38.78
Interest paid	(333.46)	(385.24)
Net cash generated from/ (used in) financing activities - C	1,620.38	(346.46)
Net decrease in cash and cash equivalents (A+B+C)	(11.32)	(20.94)
Cash and cash equivalents as at the beginning of the year	15.96	36.90
Cash and cash equivalents as at the end of the year (refer note 1)	4.64	15.96

Notes:

- 1 Cash and cash equivalents include the following:

Balances with banks:

In current accounts

4.64

15.96

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

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

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W

For and on behalf of the Board of Directors



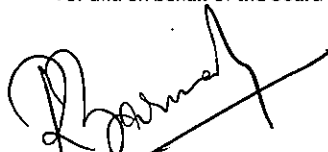
R. P. Soni

Partner

Membership No.: 104796

Mumbai

10 May 2019



Rituparna Barman Roy

Director

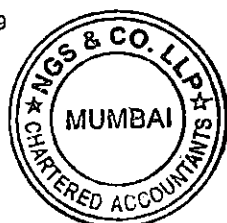
DIN: 08050620



Ashish Gupta

Director

DIN: 07775554






Ritesh S Jain

Chief Financial Officer

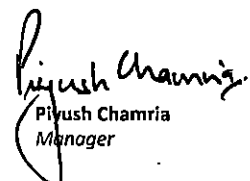
Mumbai

10 May 2019



Niket Joshi

Company Secretary



Piyush Chamria

Manager

Edelcap Securities Limited
Statement of Changes in Equity
(Currency: Indian rupees in millions)

(A) Equity share capital

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Balance at the beginning of the year	3.00	3.00	3.00
Changes in equity share capital (refer note 25)	-	-	-
Balance at the end of the year	3.00	3.00	3.00

(B) Other equity

	Securities premium	ESOP reserve	Retained earnings	Total
Balance as at 1 April 2017 (Indian GAAP)	1,583.80	-	1,056.09	2,639.89
Ind AS adjustments	-	3.60	(481.41)	(477.81)
Transaction with shareholders in their capacity as such	(1,583.80)	-	709.26	(874.54)
Total	-	3.60	1,283.94	1,287.54
Profit for the year	-	-	492.92	492.92
Other comprehensive income	-	-	(0.51)	(0.51)
Total comprehensive income for the year	-	-	492.41	492.41
Balance at 31 March 2018 (Ind AS)	-	3.60	1,776.35	1,779.95
Loss for the year	-	-	(345.80)	(345.80)
Other comprehensive income	-	-	(0.75)	(0.75)
Total comprehensive income for the year	-	-	(346.55)	(346.55)
Balance at 31 March 2019 (Ind AS)	-	3.60	1,429.80	1,433.40

Securities premium:

Securities premium is used to record the premium on issue of shares and is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

ESOP reserve:

Certain employees of the Company have been granted options to acquire equity shares of the Parent Company (Edelweiss Financial Services Limited). This reserve represents the cost of these options based on their fair value at the grant dates as recognised over the vesting period of such options, to the extent that the Ultimate Parent Company has not recovered such cost from the Company.

This is the Statement of Changes in Equity referred to in our report of even date.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W

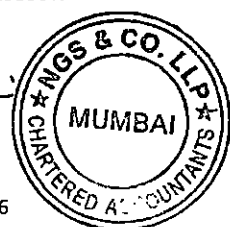
R. P. Soni

Partner

Membership No.: 104796

Mumbai

10 May 2019



For and on behalf of the Board of Directors

Rituparna Barman Roy

Director

DIN: 08050620

Ashish Gupta

Director

DIN: 07775554

Ritesh S Jain

Chief Financial Officer

Mumbai

10 May 2019

Niket Joshi

Company Secretary

Piyush Chamria

Manager

Edelcap Securities Limited

Notes to the financial statements for the year ended 31 March 2019

1. Background

Edelcap Securities Limited ('the Company') was incorporated on 11-Jan-2008 as a public limited company.

The Company is a wholly owned subsidiary of ECap Equities Limited and is a currency broker registered as a trading member in currency derivatives segment with National Stock Exchange ('NSE') and is also an Authorised Participant ('AP') of Edelweiss Securities Limited for Capital Market Segment and Derivatives Segment with NSE and AP of Edelweiss Securities Limited for Capital Market Segment, Derivative Segment and Currency Derivatives Segment with Bombay Stock Exchange ('BSE').

2. Basis of preparation of financial statements

The Company's financial statements 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) and the other relevant provisions of the Companies Act, 2013 ('the Act') and rules thereunder.

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 51 for information on how the Company adopted Ind AS for opening balance sheet.

The Company's 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 (FVTOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value through profit and loss (FVTPL). The Company's financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

3. Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 47.

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



Edelcap Securities Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2019

4. Significant accounting policies

4.1 Revenue recognition

4.1.1 Fee income including advisory fees for services rendered is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.

4.1.2 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 FVTOCI. 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).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Group calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

4.1.3 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.

4.1.4 Brokerage income on currency derivatives broking business is recognised as per contracted rates at the time of execution of transactions on behalf of the customers on the trade date.

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.



Edelcap Securities Limited

Notes to the financial statements *(continued)* for the year ended 31 March 2019

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 statement of profit and loss.

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 statement of profit and loss when the inputs become observable, or when the instrument is derecognised.

4.3 Classification of financial instruments

4.3.1 Financial assets:

The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income [FVTOCI]
- 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.

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.



Edelcap Securities Limited

Notes to the financial statements (*continued*) for the year ended 31 March 2019

4.3.1.1 Amortized cost and Effective interest rate (EIR)

The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

4.3.1.2 Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value.

Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure

4.3.1.3 Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

4.3.1.4 Investment in mutual funds

The Company subsequently measures all mutual fund investments at fair value through profit or loss as these financial assets do not pass the contractual cash flow test as required by Ind AS- 109- Financial Instruments, for being designated at amortised cost or FVTOCI, hence classified at FVTPL.

4.3.2 Financial liabilities

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

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.



Edelcap Securities Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

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 group 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
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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 Group'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 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.

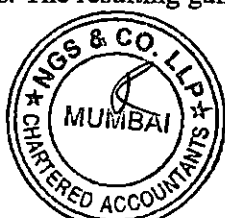
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company entity are recognised at the proceeds received.

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

4.3.4 Derivatives

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in statement of profit and loss immediately.



Edelcap Securities Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2019

4.4 Reclassification of financial assets and 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.

4.5 Derecognition of financial assets and financial liabilities

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

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group 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 group 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 difference between the carrying value of the financial asset and the consideration received is recognised in the statement of profit and loss.

A transfer qualifies for derecognition if either:

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

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

4.5.3 Derecognition of financial liabilities

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the financial liability and the consideration paid is recognised in the statement of profit and loss.



Edelcap Securities Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2019

4.6 Impairment of financial assets

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitment and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. 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.

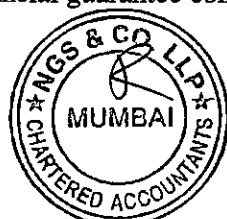
For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company 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 on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), 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.



Edelcap Securities Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2019

4.7 Determination of fair value

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

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

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.



Edelcap Securities Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

4.8 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.

4.9 Foreign currency transactions

The financial statements are presented in Indian Rupees. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) 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 translated using the spot rate as at the date of recognition.

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

4.10 Retirement and other employee benefit

4.10.1 Provident fund and national pension scheme

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

4.10.2 Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

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

Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

4.10.3 Compensated Absences

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



Edelcap Securities Limited

Notes to the financial statements (continued)

for the year ended 31 March 2019

4.10.4 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent Group are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

4.11 Property, plant and equipment

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

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

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

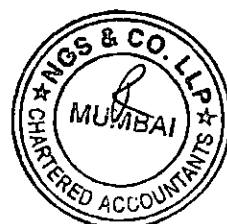
For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

Estimated useful lives of the assets are as follows:

Class of assets	Useful Life
Motor vehicles	8 years
Office equipments	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

Leasehold improvements are amortized on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is shorter.



Edelcap Securities Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2019

4.12 Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4.13 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.

4.14 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

4.15 Provisions and Contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.

4.16 Income tax expenses

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

4.16.1 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.

4.16.2 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



Edelcap Securities Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2019

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 carryforward 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.

4.16.3 Minimum Alternative Tax (MAT) credit

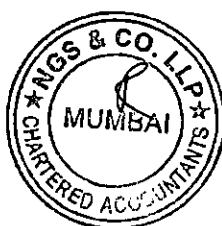
MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed as at the balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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.



Edelcap Securities Limited

Notes to the financial statements *(continued)* for the year ended 31 March 2019

5.1 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 measured, the risks that affect the performance of the assets and how these are managed.

5.2 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.

5.3 Other Judgements

In the process of applying the Company's accounting policies, management has made the following judgments', which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- (a) Actuarial assumptions used in calculation of defined benefit plans
- (b) Assumptions used in estimating the useful lives of tangible assets reported under property, plant and equipment.

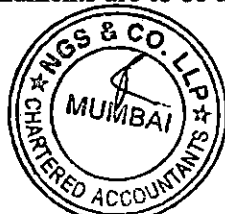
6. Standards issued but not yet effective

(a) Ind AS 116 Leases:

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

(b) Prepayment Features with Negative Compensation (Amendments to Ind AS 109)

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after 1 April, 2019.



Edelcap Securities Limited

Notes to the financial statements (*continued*) for the year ended 31 March 2019

(c) Long-term Interests in Associates and Joint Ventures (Amendments to Ind AS 28)

The amendment clarifies that Ind AS 109, including its impairment requirements, applies to long-term interests. Furthermore, in applying Ind AS 109 to long-term interests, an entity does not take into account adjustments to their carrying amount required by Ind AS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with Ind AS 28). These amendments are to be applied retrospectively in accordance with Ind AS 8 for annual reporting periods beginning on or after 1 April 2019. Specific transition provisions apply depending on whether the first-time application of the amendments coincides with that of Ind AS 109.

The application of all these amendments is not likely to have a material impact on the financial statements.

Annual Improvements to Ind AS (2018)

(a) Ind AS 12 Income taxes

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

(b) Ind AS 103 Business Combinations

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. These amendments are to be applied for business combinations in which the date of acquisition is on or after 1 April 2019.

(c) Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19)

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after 1 April 2019.



Edelcap Securities Limited

Notes to the financial statements *(continued)*

for the year ended 31 March 2019

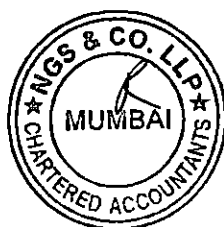
(d) Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12)

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a Company; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Appendix is effective for annual periods beginning on or after 1 April 2019. Entities can apply the Appendix with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively.

The application of all these amendments is not likely to have a material impact on the financial statements.



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
7 Cash and cash equivalents			
Balances with banks			
- in current accounts	4.64	15.96	36.90
	<u>4.64</u>	<u>15.96</u>	<u>36.90</u>
8 Bank balances other than cash and cash equivalents			
Fixed deposits with bank (refer note 8.1)	7.18	6.30	6.30
Accrued interest on fixed deposits	0.12	0.07	0.05
	<u>7.30</u>	<u>6.37</u>	<u>6.35</u>

8.1 Encumbrances' on fixed deposits held by the Company

The Company has pledged fixed deposits aggregating to Rs. 7.18 millions with National Stock exchange for meeting margin requirements (Previous year: Rs. 6.30 millions).



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

9 (a) Derivative financial instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Particulars	31 March 2019					
	Notional		Fair value of asset (INR)	Notional		Fair value of liability (INR)
	Unit	Notional amount *		Unit	Notional amount *	
(i) Currency derivatives						
-Currency Futures**	Number of currency units	12,547,000	2.12	Number of currency units#	1,000	0.00
-Options sold (written)	Number of currency units	-	-	Number of currency units	77,605,000	14.20
Less: amounts offset (refer Note in offsetting disclosure)			(2.12)			(14.20)
Sub total (i)			-			-
(ii) Interest rate derivatives						
-Futures	Number of G-sec units	1,200,000	0.06	Number of G-sec units	-	-
Less: amounts offset (refer Note in offsetting disclosure)			(0.06)		-	-
Subtotal (ii)			-		-	-
(iii) Equity linked derivatives						
-Stock Futures	Number of shares	4,308,998	19.14	Number of shares	5,780,073	14.17
-Options purchased	Number of shares	283,650	2.56	Number of shares	1,455,316	4.42
Less: amounts offset (refer Note in offsetting disclosure)			(19.14)			(18.59)
Subtotal (iii)			2.56			-
(iv) Index linked derivatives						
-Index Futures	Number of index units	60,150	2.70	Number of index units	-	-
-Options purchased	Number of index units	952,250	5.59	Number of index units	960,980	582.21
Less: amounts offset (refer Note in offsetting disclosure)			(2.70)			(582.21)
Subtotal (iv)			5.59			-
Total derivative financial instruments		-	8.15		-	-

* Notional amount represents quantity in case of equity linked and index linked derivatives

** Rs 0.00 refers to amount less than Rs. 0.01 millions



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

9 (a) Derivative financial instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Particulars	31 March 2018					
	Notional		Fair value of asset	Notional		Fair value of liability
	Unit	Notional amount *		Unit	Notional amount *	
(i) Currency derivatives						
-Currency Futures	Number of currency units	-	-	Number of currency units	1,859,000	0.01
-Options purchased	Number of currency units	1,328,000	0.07	Number of currency units	-	-
-Options sold (written)	Number of currency units	-	-	Number of currency units	13,970,000	4.78
Less: amounts offset (refer Note in offsetting disclosure)			-			(4.79)
Sub total (i)			0.07			-
(ii) Interest rate derivatives						
-Futures	Number of G-sec units	2,000,000	0.45	Number of G-sec units	-	-
Less: amounts offset (refer Note in offsetting disclosure)			(0.45)			-
Subtotal (ii)			-			-
(iii) Equity linked derivatives						
-Stock Futures	Number of shares	1,061	0.01	Number of shares	210,000	0.14
Less: amounts offset (refer Note in offsetting disclosure)			(0.01)			(0.14)
Subtotal (iii)			-			-
(iv) Index linked derivatives						
Options purchased**	Number of index units#	75	0.00	Number of index units	-	-
-Options sold (written)	Number of index units	-	-	Number of index units	504,975	454.86
Less: amounts offset (refer Note in offsetting disclosure)			-			(454.86)
Subtotal (iv)			0.00			-
Total derivative financial instruments			0.07			-

* Notional amount represents quantity in case of equity linked and index linked derivatives

** Rs 0.00 refers to amount less than Rs. 0.01 millions



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

9 (a) Derivative financial instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Particulars	1 April 2017 (i.e. 31 March 2017)					
	Notional		Fair value of asset	Notional		Fair value of liability
	Unit	Notional amount *		Unit	Notional amount *	
(i) Currency derivatives						
-Currency Futures	Number of currency units	102,365,000	38.46	Number of currency units	-	-
-Options purchased	Number of currency units	304,000,000	18.69	Number of currency units	-	-
-Options sold (written)	Number of currency units	-	-	Number of currency units	161,198,000	65.91
Less: amounts offset (refer Note in offsetting disclosure)			(38.46)			(65.91)
Sub total (i)			18.69			-
(ii) Interest rate derivatives						
-Futures	Number of G-sec units	15,126,000	2.60	Number of G-sec units	2,980,000	0.89
Less: amounts offset (refer Note in offsetting disclosure)			(2.60)			(0.89)
Subtotal (ii)			-			-
(iii) Equity linked derivatives						
-Stock Futures	Number of shares	5,687,120	7.01	Number of shares	5,538,679	13.65
-Options purchased	Number of shares	472,900	5.94	Number of shares	-	-
-Options sold (written)	Number of shares	-	-	Number of shares	1,391,100	10.49
Less: amounts offset (refer Note in offsetting disclosure)			(7.01)			(24.14)
Subtotal (iii)			5.94			-
(iv) Index linked derivatives						
-Index Futures	Number of index units	115,950	9.36	Number of index units	14,360	1.50
-Options purchased	Number of index units	327,020	82.28	Number of index units	-	-
-Options sold (written)	Number of index units	-	-	Number of index units	579,635	324.58
Less: amounts offset (refer Note in offsetting disclosure)			(9.36)			(326.08)
Subtotal (iv)			82.28			-
Total derivative financial instruments		-	106.91		-	-

* Notional amount represents quantity in case of equity linked and index linked derivatives



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

9 Derivatives Offsetting

(b) Offsetting of financial assets and liabilities

Financial assets subject to offsetting 31 March 2019

Particulars	Offsetting recognised in balance sheet		Total assets
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial assets	32.17	24.02	8.15

Financial liabilities subject to offsetting 31 March 2019

Particulars	Offsetting recognised in balance sheet		Total liabilities
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial liabilities	615.00	615.00	-

As at the reporting date, the amount of gross derivative assets and liabilities that has been offset against the cash margin is Rs.24.01 millions and Rs 615.00 millions respectively.

Financial assets subject to offsetting 31 March 2018

Particulars	Offsetting recognised in balance sheet		Total assets
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial assets	0.53	0.46	0.07

Financial liabilities subject to offsetting 31 March 2018

Particulars	Offsetting recognised in balance sheet		Total liabilities
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial liabilities	459.79	459.79	-

As at the reporting date, the amount of gross derivative assets and liabilities that has been offset against the cash margin is Rs 0.46 millions and Rs 459.79 millions respectively.

Financial assets subject to offsetting 31 March 2017

Particulars	Offsetting recognised in balance sheet		Total assets
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial assets	164.34	57.43	106.91

Financial liabilities subject to offsetting 31 March 2017

Particulars	Offsetting recognised in balance sheet		Total liabilities
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial liabilities	417.02	417.02	-

As at the reporting date, the amount of gross derivative assets and liabilities that has been offset against the cash margin is Rs 57.43 millions and Rs 417.02 millions respectively.



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

10 Stock in trade

At fair value through profit & Loss

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
Particulars			
Equity instruments (quoted)	218.42	642.53	801.60
Equity instruments (unquoted)	0.05	1.52	-
Preference shares (quoted)	-	0.01	0.01
Mutual funds (unquoted)	1,375.35	101.90	622.83
Total - Gross (A)	1,593.82	745.96	1,424.44
Stock in trade outside India	-	-	-
Stock in trade in India	1,593.82	745.96	1,424.44
Total (B)	1,593.82	745.96	1,424.44
Less: Allowance for impairment (C)	-	-	-
Total Net (A-C)	1,593.82	745.96	1,424.44



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

10.1 Stock-in-trade

	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	Face value	Quantity	Amount	Face value	Quantity	Amount	Face value	Quantity	Amount
Equity Instruments (quoted)									
Agro Phos India Limited	-	-	-	-	-	-	10	258,000	5.68
Airan Limited	-	-	-	-	-	-	10	15,000	1.02
BSE Limited	-	-	-	-	-	-	2	32,345	31.62
Cairn India Limited	-	-	-	-	-	-	10	1,666,500	509.71
Chemcrux Enterprises Limited	-	-	-	-	-	-	10	24,000	0.87
Claris Lifesciences Limited	-	-	-	-	-	-	10	589	0.19
Coal India Limited	-	-	-	-	-	-	10	462,400	135.32
Dilip Buildcon Limited	-	-	-	-	-	-	10	12,629	4.41
Global Education Limited	-	-	-	-	-	-	10	8,000	1.79
HDFC Bank Limited	-	-	-	-	-	-	2	1	-
Husys Consulting Limited	-	-	-	-	-	-	10	14,000	0.57
HDFC Bank Limited	2	55	0.13	-	-	-	-	-	-
Carborundum Universal Limited	1	2,900	1.19	-	-	-	-	-	-
Praj Industries Limited	2	19,420	3.01	-	-	-	-	-	-
Bata India Limited	5	95	0.13	-	-	-	-	-	-
Havells India Limited	1	165	0.13	-	-	-	-	-	-
Petronet LNG Limited	10	525	0.13	-	-	-	-	-	-
Procter & Gamble Hygiene & Health Care Limited	10	551	5.97	-	-	-	-	-	-
Titan Company Limited	1	255	0.29	-	-	-	-	-	-
UPL Limited	2	140	0.13	-	-	-	-	-	-
Ipca Laboratories Limited	2	3,200	3.14	-	-	-	-	-	-
Siemens Limited	2	110	0.12	-	-	-	-	-	-
Bajaj Holdings & Investment Limited	10	2,160	7.38	-	-	-	-	-	-
Manappuram Finance Limited	2	1,000	0.13	-	-	-	-	-	-
Gujarat State Petronet Limited	10	24,035	4.58	-	-	-	-	-	-
Torrent Pharmaceuticals Limited	5	65	0.13	-	-	-	-	-	-
Oberoi Realty Limited	10	3,143	1.66	-	-	-	-	-	-
SKF India Limited	10	1,665	3.40	-	-	-	-	-	-
PI Industries Limited	1	9,358	9.66	-	-	-	-	-	-
Gujarat Fluorochemicals Limited	1	2,780	3.07	-	-	-	-	-	-
J.K.cement Limited	10	3,023	2.62	-	-	-	-	-	-
Pidilite Industries Limited	1	100	0.12	-	-	-	-	-	-
Grindwell Norton Limited	5	1,880	1.12	-	-	-	-	-	-
The Ramco Cements Limited	1	170	0.13	-	-	-	-	-	-
Balrampur Chini Mills Limited	1	22,000	3.02	-	-	-	-	-	-
Coromandel International Limited	1	7,710	3.91	-	-	-	-	-	-
Emami Limited	1	11,000	4.40	-	-	-	-	-	-
Shree Cement Limited	10	7	0.13	-	-	-	-	-	-
Future Lifestyle Fashions Limited	2	7,075	3.46	-	-	-	-	-	-
Crompton Greaves Consumer Electricals Limited	2	18,500	4.20	-	-	-	-	-	-
Mahanagar Gas Limited	10	120	0.13	-	-	-	-	-	-
Nandani Creation Limited	10	50,000	2.55	10	78,000	5.42	10	284,000	15.94
Qess Corp Limited	-	-	-	10	33,408	34.34	-	-	-
Talwalkars Better Value Fitness Limited	-	-	-	10	25,400	4.61	-	-	-
Tata Steel Limited	-	-	-	10	1,186	0.68	-	-	-
Total Transport Systems Limited	-	-	-	10	12,000	0.56	-	-	-
Shashijit Infraprojects Limited	-	-	-	10	104,000	3.50	10	288,000	5.79
Shiva Granito Export Limited	-	-	-	-	-	-	10	110,000	1.01
TCI Express Limited	-	-	-	-	-	-	2	11,149	4.43
Kalpataru Power Transmission Limited	-	-	-	2	5,000	2.42	-	-	-
GE Power India Limited	-	-	-	10	8,900	8.33	-	-	-
Teamlease Services Limited	-	-	-	10	6,600	14.66	-	-	-
Lux Industries Limited	-	-	-	2	5,000	8.51	-	-	-
Bandhan Bank Limited	-	-	-	10	917,554	430.38	-	-	-
Sandhar Technologies Limited	-	-	-	10	146,169	48.53	-	-	-
Zydrus Wellness Limited	-	-	-	10	3,800	4.48	-	-	-
PNB Housing Finance Limited	10	3,000	2.59	-	-	-	-	-	-
Maheshwari Logistics Limited	10	15,000	3.23	10	115,000	20.35	10	484,000	42.64
ICI Lombard General Insurance Company Limited	10	1,625	1.68	-	-	-	-	-	-
IRIS Business Services Limited	10	448,000	16.64	10	504,000	22.66	-	-	-
IIFL holding Limited	-	-	-	2	38,800	27.38	2	29,000	11.61
HDFC Life Insurance Company Limited	10	20,250	7.66	-	-	-	-	-	-
Tata Steel Limited	10	589,254	37.83	-	-	-	-	-	-
Arvind Fashions Limited	4	6,000	6.26	-	-	-	-	-	-
Tech Mahindra Limited	5	63,160	49.01	-	-	-	-	-	-
Wipro Limited	2	345	0.09	-	-	-	-	-	-
Vodafone Idea Limited	10	1,000	0.02	-	-	-	-	-	-
Bajaj Auto Limited	10	40	0.12	-	-	-	-	-	-



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

10.1 Stock-in-trade (continued)

	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Equity instruments (quoted)									
Pfizer Limited	10	485	1.61	-	-	-	-	-	-
Can Fin Homes Limited	2	2,311	0.81	-	-	-	-	-	-
CCL Products (India) Limited	2	7,330	2.09	-	-	-	-	-	-
Inox Leisure Limited	10	9,020	2.97	-	-	-	-	-	-
HEG Limited	10	57	0.12	-	-	-	-	-	-
Aditya Birla Fashion and Retail Limited	10	20,754	4.57	-	-	-	-	-	-
RBL Bank Limited	10	200	0.14	-	-	-	10	10,000	4.94
Sakar Healthcare Limited	-	-	-	-	-	-	10	306,000	17.45
Spicejet Limited	-	-	-	-	-	-	10	65,000	6.61
Jalan Transolutions (India) Limited	10	60,000	0.75	10	120,000	5.72	-	-	-
SBI Life Insurance Company Limited	10	12,000	7.00	-	-	-	-	-	-
Tube Investments of India Limited	1	7,980	3.06	-	-	-	-	-	-
INDAS impact	-	-	-	-	-	-	-	-	-
			<u>218.42</u>			<u>642.53</u>			<u>801.60</u>
Equity instruments (unquoted)									
Talwalkars Lifestyle Limited	-	-	-	-	25,400	1.52	-	-	-
Cox & Kings Financial Service Limited	10	4,567	0.05	-	-	-	-	-	-
			<u>0.05</u>			<u>1.52</u>			<u>-</u>
Preference shares (quoted)									
Zee Entertainment Enterprises Limited	10	-	-	10	914	0.01	10	914	0.01
			<u>-</u>			<u>0.01</u>			<u>0.01</u>
Mutual funds (unquoted)									
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan	-	-	-	10	364,811	101.90	-	-	-
ICICI Prudential Liquid Fund - Direct Plan	10	9,259	2.56	-	-	-	10	2,521,393	605.53
Axis Liquid Fund - Direct Plan - Growth Option	10	11	0.02	-	-	-	10	5,419	9.77
Aditya Birla Sun Life Cash Plus - Growth	-	-	-	-	-	-	10	28,889	7.53
Edelweiss Liquid Fund - Regular Plan - Growth Option	10	571,177	1,372.77	-	-	-	-	-	-
			<u>1,375.35</u>			<u>101.90</u>			<u>622.83</u>
Grand Total			<u>1,593.82</u>			<u>745.96</u>			<u>1,424.44</u>



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

11 Trade receivables:

Particulars	31 March 2019	31 March 2018	1 April 2017
Receivables considered good - unsecured	0.18	6.57	9.23
Receivables considered good - unsecured - related parties	0.01	119.50	0.15
Receivables - credit impaired	2.42	3.47	3.16
	2.61	129.54	12.54
Less : Allowance for expected credit losses	2.42	3.47	3.16
	0.19	126.07	9.38

Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on 1 April 2017	3.16
Add/ (less): asset originated or acquired (net)	0.31
Impairment allowance as on 31 March 2018	3.47
Add/ (less): asset originated or acquired (net)	(1.05)
Impairment allowance as on 31 March 2019	2.42

Provision matrix for Trade receivables

ECL rate	Trade receivables days past due	Current	1-90days	91-180 days	181-360 days	more than 360 days	Total
31 March 2019	ECL Rate	0.00%	0.00%	0.00%	0.00%	100.00%	
	Estimated total gross carrying amount at default	0.09	0.10	-	-	2.42	2.61
	ECL - Simplified approach	-	-	-	-	(2.42)	(2.42)
	Net carrying amount	0.09	0.10	-	-	-	0.19
31 March 2018	ECL Rate	0.00%	0.00%	0.00%	100.00%	100.00%	
	Estimated total gross carrying amount at default	-	125.85	0.22	0.78	2.69	129.54
	ECL - Simplified approach	-	-	-	(0.78)	(2.69)	(3.47)
	Net carrying amount	-	125.85	0.22	-	-	126.07
1 April 2017	ECL Rate	0.00%	0.00%	0.00%	100.00%	100.00%	
	Estimated total gross carrying amount at default	-	9.37	0.01	0.02	3.14	12.54
	ECL - Simplified approach	-	-	-	(0.02)	(3.14)	(3.16)
	Net carrying amount	-	9.37	0.01	-	-	9.38



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

12 Investments

	31 March 2019				31 March 2018			1 April 2017		
Particulars	At fair value through P&L	At amortised cost	At cost (subsidiaries, associates, and joint ventures)	Total	At fair value through P&L	At cost (subsidiaries, associates, and joint ventures)	Total	At fair value through P&L	At cost (subsidiaries, associates, and joint ventures)	Total
Investments in subsidiary Equity	-	-	2,384.39	2,384.39	-	2,384.39	2,384.39	-	1,884.39	1,884.39
Investments in associate companies Equity	-	-	221.86	221.86	-	221.86	221.86	-	221.86	221.86
Preference shares (convertible)	-	-	123.88	123.88	-	123.88	123.88	-	123.88	123.88
Investments in equity instruments of other companies	1.59	-	-	1.59	6.47	-	6.47	118.35	-	118.35
Investments in debt securities of other companies	-	3.87	-	3.87	41.76	-	41.76	41.76	-	41.76
Investments in units of fund										
Units of Alternative Investment Funds	151.28	-	-	151.28	131.31	-	131.31	80.01	-	80.01
Units of Alternative Investment Funds - in Associate	299.99	-	-	299.99	323.32	-	323.32	355.64	-	355.64
TOTAL - Gross (A)	452.86	3.87	2,730.13	3,186.86	502.86	2,730.13	3,232.99	595.76	2,230.13	2,825.89
Investments outside India	-	-	-	-	-	-	-	-	-	-
Investment in India	452.86	3.87	2,730.13	3,186.86	502.86	2,730.13	3,232.99	595.76	2,230.13	2,825.89
Total (B)	452.86	3.87	2,730.13	3,186.86	502.86	2,730.13	3,232.99	595.76	2,230.13	2,825.89
Less: Allowance for impairment (C)	-	-	-	-	-	-	-	-	-	-
Total Net (A-C)	452.86	3.87	2,730.13	3,186.86	502.86	2,730.13	3,232.99	595.76	2,230.13	2,825.89



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

12.1 Investments

	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	Face value	Quantity	Amount	Face value	Quantity	Amount	Face value	Quantity	Amount
Investments in equity instruments of subsidiary									
Edelweiss Retail Finance Limited	10	30,258,333	2,384.39	10	30,258,333	2,384.39	10	25,258,333	1,884.39
Investments in equity instruments of associate companies									
Edelweiss Asset Reconstruction Company Limited	10	10,564,536	221.86	10	10,564,536	221.86	10	10,564,536	221.86
Allium Finance Private Limited Preference shares (convertible)	10	991,056	123.88	10	991,056	123.88	10	991,056	123.88
Investments in equity instruments of other companies									
Quoted									
Claris Lifesciences Limited	-	-	-	-	-	-	10	332,411	106.54
Empee Distilleries Limited	10	227,133	1.59	10	227,133	6.47	-	-	-
Investments in warrants of other companies									
EW India Special Assets Fund Pte Limited	-	-	-	-	-	-	-	227,133	11.81
Investments in units of fund (unquoted)									
Edelweiss Alternative Investment Trust- EW Clover Scheme	10,000	25,000	299.99	10,000	25,000	323.32	10,000	25,000	355.64
Edelweiss Real Estate Opportunities Fund	10,000	13,375	151.24	10,000	11,875	131.27	10,000	8,000	80.01
Edelweiss India Real Estate Fund	-	-	0.01	-	-	0.01	-	-	-
EC Special Situations Fund	-	-	0.01	-	-	0.01	-	-	-
Edelweiss India Special Situations Fund	-	-	0.01	-	-	0.01	-	-	-
Edelweiss Infrastructure Yield Plus Fund	-	-	0.01	-	-	0.01	-	-	-
Investments in debt instruments of other companies (quoted)									
W. S. Industries (India) Limited	800,000	58	3.87	800,000	58	46.40	800,000	58	46.40
Less: Provision for impairment on investments									
W. S. Industries (India) Limited	-	-	-	-	-	(4.64)	-	-	(4.64)
			3,186.86			3,232.99			2,825.89
Aggregate of quoted Investment			5.46			48.23			148.30
Aggregate of unquoted investment			3,181.40			3,184.76			2,677.59

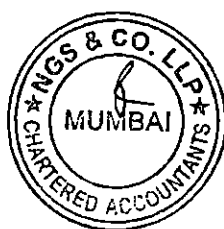


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
13 Other financial assets			
Unsecured, considered good			
Deposits placed with exchange	0.42	0.30	0.30
Deposits- others	-	0.80	0.80
Accrued interest on margin	4.06	3.25	0.14
Margin placed with broker	1,959.80	870.01	671.95
Dividend receivable	0.02	-	-
Advances recoverable in cash or in kind or for value to be received	1.05	9.00	2.18
	1,965.35	883.36	675.37
14 Current tax assets (net)			
Advance income taxes	41.29	37.01	36.92
	41.29	37.01	36.92
15 Deferred tax assets (net)			
Deferred tax assets			
Provision for non-performing, restructured and doubtful advances	0.76	1.21	1.09
Difference between book and tax depreciation (including intangibles)	0.95	0.36	-
Unrealised loss on derivatives	13.47	8.04	-
Provision for leave accumulation	0.83	0.62	-
Disallowances under section 43B of the Income Tax Act, 1961	3.64	2.48	2.05
MAT credit entitlement (current)	35.74	36.29	-
	55.39	49.00	3.14
Deferred tax liabilities			
Difference between book and tax depreciation (including intangibles)	-	-	0.41
Unrealised gain on derivatives	-	-	38.88
Fair valuation of investments and stock in trade	25.23	8.88	31.25
Others	7.28	7.44	-
	32.51	16.32	70.54
	22.88	32.68	(67.40)



Edelcap Securities Limited**Notes to the financial statements (Continued)**

(Currency: Indian rupees in millions)

15.1 Income tax disclosure:**(a) The components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:**

Particulars	31 March 2019	31 March 2018
Current tax	-	124.47
Adjustment in respect of current income tax of prior years	(3.36)	(45.03)
Deferred tax relating to origination and reversal of temporary differences	10.14	(63.51)
Deferred tax recognised on unused tax credit or unused tax losses	(0.55)	(106.43)
Total tax charge	6.23	(90.50)
Current tax	(3.36)	79.44
Deferred tax	9.59	(169.94)

(b) Reconciliation of total tax charge

Particulars	31 March 2019	31 March 2018
Accounting profit before tax as per financial statements	(339.57)	402.42
Tax rate (in percentage)	31.20%	34.94%
Income tax expense calculated based on this tax rate	(105.95)	140.62
Adjustment in respect of current income tax of prior years	(3.36)	(45.03)
Effect of income not subject to tax:	-	-
Long term capital gain on sale of shares	-	(27.62)
Others - dividend	-	(96.98)
Others	(0.62)	0.11
Penalties	-	1.32
Interest expenses on preference share	63.88	35.22
Effect of non-recognition of deferred tax asset on current-period losses	35.57	-
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	7.44	-
Write-down of available tax credits which are not considered recoverable (for example, Minimum Alternate Tax credit)	-	(98.99)
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	9.34	-
Impact of tax rate changes	-	-
Others	(0.07)	0.85
Tax charge for the year recorded in statement of profit and loss	6.23	(90.50)



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

15.1 Income tax disclosure:

(c) The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2018-19)			Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Total movement	
Deferred taxes in relation to:					
Property, plant and equipment	0.36	0.59	-	0.59	0.95
Other investments (equity instruments)	4.48	(0.40)	-	(0.40)	4.08
Stock in trade	(8.64)	0.74	-	0.74	(7.90)
Other - Units of Alternative Investment Funds	(4.37)	(16.68)	-	(16.68)	(21.05)
Other - Units of Alternative Investment Funds - in associate	(0.35)	-	-	-	(0.35)
Trade receivable	1.21	(0.45)	-	(0.45)	0.76
Employee benefits obligations	3.11	1.02	0.34	1.36	4.47
Fair valuation of derivatives	8.04	5.43	-	5.43	13.47
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	36.29	(0.55)	-	(0.55)	35.74
Others	(7.45)	0.16	-	0.16	(7.29)
Total	32.68	(10.14)	0.34	(9.80)	22.88

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2017-18)			Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Total movement	
Deferred taxes in relation to:					
Property, plant and equipment	(0.41)	0.77	-	0.77	0.36
Other investments (equity instruments)	(15.62)	20.10	-	20.10	4.48
Stock in trade	(15.63)	6.99	-	6.99	(8.64)
Other - Units of Alternative Investment Funds	-	(4.37)	-	(4.37)	(4.37)
Other - Units of Alternative Investment Funds - in associate	-	(0.35)	-	(0.35)	(0.35)
Trade receivable	1.09	0.12	-	0.12	1.21
Employee benefits obligations	2.05	0.78	0.28	1.06	3.11
Fair valuation of derivatives	(38.88)	46.92	-	46.92	8.04
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	-	36.29	-	36.29	36.29
Others (on account of demerger)	-	(7.45)	-	(7.45)	(7.45)
Total	(67.40)	99.80	0.28	100.08	32.68



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

15.2 Income tax disclosure:

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

Financial year to which the loss relates to	Unused tax losses Item	Unused tax losses amount	Unused tax Losses expiry year
As at 31 March 2019	Business Losses	114.00	2026-27
As at 31 March 2018	-	-	-
As at 1 April 2017	-	-	-



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

16

(a) Property, plant and equipment

Description of assets	Gross block				Depreciation				Net block
	As at 1 April 2018	Additions during the year	Disposals during the year	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019
Motor vehicles	2.77	-	1.16	1.61	0.80	0.54	0.45	0.89	0.72
Office equipments	0.02	-	-	0.02	0.01	-	-	0.01	0.01
Computers	13.23	7.90	0.22	20.91	6.08	7.31	0.16	13.23	7.68
Total : A	16.02	7.90	1.38	22.54	6.89	7.85	0.61	14.13	8.41

Description of assets	Gross block				Depreciation				Net block
	Deemed cost As at 1 April 2017	Additions during the year	Disposals during the year	As at 31 March 2018	Deemed cost As at 1 April 2017	Charge for the year	Disposals during the year	As at 31 March 2018	As at 31 March 2018
Motor vehicles	-	2.77	-	2.77	-	0.80	-	0.80	1.97
Office equipments	0.03	-	0.01	0.02	-	0.01	-	0.01	0.01
Computers	5.89	7.34	-	13.23	-	6.08	-	6.08	7.15
Total : A	5.92	10.11	0.01	16.02	-	6.89	-	6.89	9.13

(b) Other intangible assets

Description of assets	Gross block				Depreciation				Net block
	As at 1 April 2018	Additions during the year	Disposals during the year	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019
Computer software	2.05	0.34	-	2.39	0.66	0.76	-	1.42	0.97
Total : B	2.05	0.34	-	2.39	0.66	0.76	-	1.42	0.97

Description of assets	Gross block				Depreciation				Net block
	Deemed cost As at 1 April 2017	Additions during the year	Disposals during the year	As at 31 March 2018	Deemed cost As at 1 April 2017	Charge for the year	Disposals during the year	As at 31 March 2018	As at 31 March 2018
Computer software	0.18	1.87	-	2.05	-	0.66	-	0.66	1.39
Total : B	0.18	1.87	-	2.05	-	0.66	-	0.66	1.39



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
17 Other non-financial assets			
Unsecured, considered good			
Input tax credit	18.07	14.07	1.37
Other deposits	0.20	-	-
Prepaid expenses	2.05	2.16	0.44
Vendor advances	1.34	1.14	0.58
Advance to employee	0.03	0.03	0.03
Advances recoverable in cash or in kind or for value to be received	0.01	-	-
	21.70	17.40	2.42
18 Trade payables			
Trade payables from non-related parties	5.81	9.84	8.69
Trade payables from related parties	60.65	17.55	463.78
	66.46	27.39	472.47

18.1 Details of dues to micro and small enterprises

Trade payables includes Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid/is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

19 Borrowings (other than debt securities) at amortised cost

Particulars	31 March 2019	31 March 2018	01 April 2017
Unsecured			
Loans repayable on demand*			
From related parties	3,456.31	1,506.74	1,087.27
Total - Gross	3,456.31	1,506.74	1,087.27
Borrowings outside India	-	-	-
Borrowings in India	3,456.31	1,506.74	1,087.27
Total	3,456.31	1,506.74	1,087.27

*(at interest rate of) 9.30% to 9.50% 9.75% 8.75% to 11.50%

20 Subordinated liabilities at amortised cost

Particulars	31 March 2019	31 March 2018	01 April 2017
Preference shares capital	1,839.01	1,634.26	804.65
Total - Gross	1,839.01	1,634.26	804.65
Borrowings outside India	-	-	-
Borrowings in India	1,839.01	1,634.26	804.65
Total	1,839.01	1,634.26	804.65

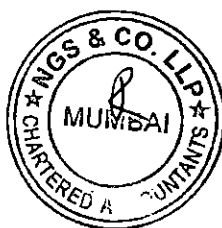


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
21 Other financial liabilities			
Other payables	-	1.48	0.24
Book overdraft	-	-	0.89
Accrued salaries and benefits	33.00	63.82	50.85
Nomination deposits payable	-	0.10	0.10
	33.00	65.40	52.08
22 Current tax liabilities (net)			
Provision for taxation	9.29	56.46	180.75
	9.29	56.46	180.75
23 Provisions			
Provision for employee benefits			
Gratuity	11.66	7.11	4.91
Compensated leave absences	2.65	1.76	1.02
	14.31	8.87	5.93
24 Other non-financial liabilities			
Other payable	1.47	-	-
Withholding taxes, goods and service tax and other taxes payable	5.31	26.32	4.54
	6.78	26.32	4.54



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
25 Equity share capital			
Authorised :			
500,000 (Previous year: 500,000) equity shares of Rs. 10 each	5.00	5.00	5.00
49,500,000 (Previous year: 49,500,000) preference shares of Rs. 10 each	495.00	495.00	495.00
	<u>500.00</u>	<u>500.00</u>	<u>500.00</u>
Issued, Subscribed and Paid up:			
300,000 (Previous year: 300,000) equity shares of Rs. 10 each	3.00	3.00	3.00
	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
Movement in share capital :			
	31 March 2019	31 March 2018	1 April 2017
	No. of shares Amount	No. of shares Amount	No. of shares Amount
Outstanding at the beginning of the year	300,000 3.00	300,000 3.00	300,000 3.00
Shares issued during the year	- -	- -	- -
Outstanding at the end of the year	<u>300,000 3.00</u>	<u>300,000 3.00</u>	<u>300,000 3.00</u>
26 Other equity			
Deemed capital contribution - ESOP	3.60	6.63	-
Add : Additions during the year	-	(3.03)	6.63
	<u>3.60</u>	<u>3.60</u>	<u>6.63</u>
Retained earnings			
Opening balance	1,776.35	2,445.96	1,056.09
Demerger*	-	(150.32)	-
Ind AS Adjustment	-	(282.94)	(48.15)
Add: (Loss)/profit for the year	(345.80)	492.92	-
Add: Other comprehensive income for the year	(0.75)	(0.51)	-
Add: Transaction with shareholders in capacity as such	-	(728.76)	1,438.02
Amount available for appropriation	<u>1,429.80</u>	<u>1,776.35</u>	<u>2,445.96</u>
	<u>1,433.40</u>	<u>1,779.95</u>	<u>2,452.59</u>

* Less: Adjustment for difference between value of assets over liabilities taken over from Edelweiss Business Services Limited on account of demerger (formerly known as Edelweiss Web Services Limited) on account of acquisition of demerged business vide the order of National Company Law Tribunal, Hyderabad dated 01 December, 2017



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	for the year ended 31 March 2019	for the year ended 31 March 2018
27 Interest income		
On financial assets measured at amortised cost		
Interest income from investments	29.49	-
Interest on deposits with banks	0.50	0.46
Interest income on margin with brokers	197.67	67.72
	227.66	68.18
28 Dividend income		
Dividend on stock in trade	2.00	277.53
	2.00	277.53
29 Fee income		
Income from securities broking	0.44	0.07
Advisory and other fees	9.16	9.41
	9.60	9.48
29.1 Particulars		
Service transferred at a point in time	9.16	9.41
Service transferred over time	-	-
Total revenue from contract with customers	9.16	9.41
30 Net gain on fair value changes		
(Loss)/profit on trading of securities (net)	(170.30)	101.36
Profit / (loss) on equity derivative instruments (net)	540.98	362.71
Profit on trading in currency derivative instruments (net)	8.86	212.24
Profit on interest rate derivative instruments (net)	37.83	88.15
Profit on sale of long term investment	8.68	190.98
Total net gain on fair value changes	426.05	955.44
Fair value changes:		
- Realised gain	490.73	1,062.26
- Unrealised gain	(64.67)	(106.82)
Total net gain/loss on fair value changes	426.05	955.44
31 Other income		
Profit on sale of fixed assets (net)	0.22	-
Interest income on income tax refund	7.63	-
Miscellaneous income	0.14	-
	7.99	-



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	for the year ended 31 March 2019	for the year ended 31 March 2018
32 Finance costs		
On financial liabilities measured at amortised cost		
Interest on borrowings	329.20	385.18
Interest on subordinated liabilities	204.75	100.80
Interest on SLBM Trading and others	62.81	25.13
	596.76	511.11
33 Impairment on financial instruments		
on trade receivables	(4.21)	0.81
	(4.21)	0.81
34 Employee benefit expenses		
Salaries and wages	231.43	246.63
Contribution to provident and other funds	8.00	6.10
Expense on employee stock option scheme (ESOP)	0.96	(3.03)
Staff welfare expenses	2.65	4.97
	243.04	254.67

34.1 Employee stock option plans

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans in force. Based on such ESOP schemes, parent entity has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost

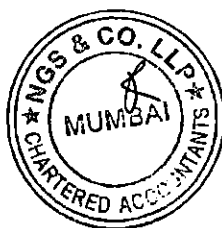


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	for the year ended 31 March 2019	for the year ended 31 March 2018
35 Other expenses		
Advertisement and business promotion	0.16	0.10
Auditors' remuneration (refer note 35.1)	0.90	0.74
Commission and brokerage	8.35	12.78
Communication	3.43	2.88
Computer expenses	3.75	3.91
Computer software	0.80	0.40
Clearing and custodian charges	0.14	0.23
Dematerialisation charges	0.01	-
Directors' sitting fees	0.04	0.16
Corporate social responsibility -donation (refer note 35.4)	0.10	0.50
Electricity charges (refer note 35.3)	1.40	2.54
Insurance	0.03	0.01
Legal and professional fees	7.65	33.94
Loss on sale of of fixed assets	-	0.01
Membership and subscription	6.20	1.39
Office expenses	32.94	0.02
Printing and stationery	0.18	0.08
Rates and taxes	0.04	0.02
Rent (refer note 35.3)	14.34	15.34
Repairs and maintenance	2.43	5.29
ROC expenses	-	-
Securities transaction tax	60.08	38.21
Seminar and conference	0.05	0.09
Goods and service tax expenses	14.52	3.81
Stamp duty	0.07	0.08
Stock exchange expenses	5.27	6.02
Travelling and conveyance	5.47	4.20
Miscellaneous expenses	(0.01)	-
Housekeeping and security charges	0.33	1.32
	168.67	134.07
35.1 Auditors' remuneration:		
As auditors	0.90	0.66
Others	-	0.08
	0.90	0.74



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

35 Other expenses (continued)

35.2 Foreign currency transaction

The Company has incurred an amount of Rs. 3.65 millions (Previous year: Rs. 0.001 millions) in foreign currency towards market data service. Earning in foreign exchange Nil (Previous year: Nil).

35.3 Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, actual identifications, etc. Accordingly, and as identified by the management, the expenditure heads in note 35 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

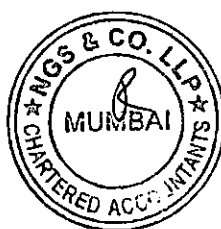
35.4 Corporate social responsibility (CSR)

As per the provisions of section 135 of the Companies Act, 2013,

- (a) Gross amount required to be spent by the Company during the year was Rs. 7.74 millions
(b) Amount spent during the year on:

Sr.No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Constructions/acquisition of any assets	Nil	Nil	Nil
(ii)	On purpose other than (i) above	Rs. 0.10 millions	Nil	Rs. 0.10 millions

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 225.19 millions (Previous year: Rs. 177.84 millions) (representing more than 2% of the consolidated profit of the group) was spent by the group as a whole towards CSR activities during the year ended 31 March 2019, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended 31 March 2019.



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

36 Segment Reporting

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

Segment	Activities covered
Capital based business	Treasury income, income from investments and dividend income
Agency business	Fee Income on advisory services

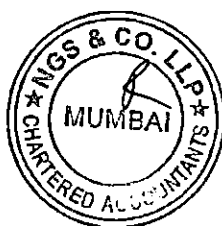
Income for each segment has been specifically identified. Expenditures, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic/reasonable basis.

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

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

The following table gives information as required under the Ind AS -108 - Operating Segment Reporting:

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
I	Segment revenue		
	a) Capital based business	654.06	1,301.15
	b) Agency business	11.60	9.48
	c) Unallocated	7.64	-
	Total	673.30	1,310.63
	Less : Inter segment revenue	-	-
	Total income	673.30	1,310.63
II	Segment results		
	a) Capital based business	(344.02)	518.57
	b) Agency business	(3.15)	(9.32)
	c) Unallocated	7.60	(106.83)
	Total	(339.57)	402.42
	(Loss)/Profit before taxation	(339.57)	402.42
	Less : Provision for taxation	6.23	(90.50)
	(Loss)/Profit after taxation	(345.80)	492.92
III	Segment assets		
	a) Capital based business	6,774.44	5,002.07
	b) Agency business	0.24	6.00
	c) Unallocated	86.88	100.32
	Total	6,861.56	5,108.39
IV	Segment liabilities		
	a) Capital based business	5,409.32	3,241.25
	b) Agency business	1.24	1.31
	c) Unallocated	14.60	82.88
	Total	5,425.16	3,325.44
V	Capital expenditure		
	a) Capital based business	8.09	11.82
	b) Agency business	0.14	0.16
	Total	8.23	11.98
VI	Depreciation and amortisation		
	a) Capital based business	8.46	7.45
	b) Agency business	0.15	0.10
	Total	8.61	7.55
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	4.74	3.60
	b) Agency business	0.08	0.86
	Total	4.82	4.46



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

37 Related Parties disclosure in accordance with Ind AS 24:

i. List of related parties and relationship:

Name of related parties by whom control is exercised	Edelweiss Financial Services Limited (Ultimate holding Company) ECap Equities Limited (Holding Company)
Name of related parties over whom control is exercised	Edelweiss Retail Finance Limited
Name of related parties over whom significant influence is exercised	EW Clover Scheme
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) ECL Finance Limited Edelweiss Securities Limited Edelweiss Business Services Limited (merged with Edelweiss Rural & Corporate Services Limited) Edelweiss Comtrade Limited Edelweiss Broking Limited Edelweiss Tokio Life Insurance Company Limited Edel Commodities Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Management Limited Edelweiss Capital Markets Limited (merged with Edelweiss Rural & Corporate Services Limited) EFSL Trading Limited (merged with EFSL Comtrade Limited) Edelweiss Finvest Private Limited EC Commodity Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Custodial Services Limited Edelweiss Finance & Investments Limited EC Global Limited
Key Management Personnel (with whom transactions have taken place)	Piyush Chamria



Edelcap Securities Limited

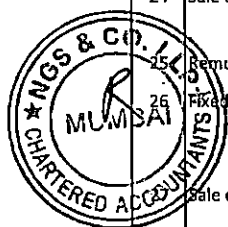
Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

37 Related Parties disclosure in accordance with Ind AS 24:

ii. Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2019	For the year ended 31 March 2018
	Capital account transactions during the year			
1	Investment in equity shares of	Edelweiss Retail Finance Limited	-	500.00
2	Short term loans taken from	ECap Equities Limited	14,142.01	-
		Edelweiss Rural & Corporate Services Limited	92,571.06	11,618.42
		Edelweiss Finvest Private Limited	-	924.18
3	Short term loans repaid to	ECap Equities Limited	10,715.37	-
		Edelweiss Rural & Corporate Services Limited	94,043.85	11,191.78
		Edelweiss Finvest Private Limited	-	930.77
4	Short term loans given to	Edelweiss Investment Advisors Limited	1.40	-
5	Short term loans repaid by	Edelweiss Investment Advisors Limited	1.40	-
6	Margins placed with broker	Edelweiss Securities Limited	2,548.00	2,895.62
		Edelweiss Custodial Services Limited	4,656.16	6,218.20
7	Margins withdrawn from broker	Edelweiss Securities Limited	2,452.30	2,333.20
		Edelweiss Custodial Services Limited	3,622.23	5,940.65
	Current account transactions during the year			
8	Brokerage earned from	Edelweiss Securities Limited	0.44	0.07
9	Reimbursements received from	Edelweiss Financial Services Limited	6.77	7.76
10	Interest income on margin placed with	Edelweiss Securities Limited	34.67	0.93
		Edelweiss Custodial Services Limited	163.01	66.79
11	Interest expense on loan from	ECap Equities Limited	73.55	-
		Edelweiss Rural & Corporate Services Limited	253.14	270.71
		Edelweiss Finvest Private Limited	-	91.18
12	Cost reimbursements recovered from	Edelweiss Rural & Corporate Services Limited	0.04	0.93
		Edelweiss Securities Limited	-	0.36
		ECap Equities Limited	-	1.34
		Edelweiss Asset Management Limited	-	0.04
13	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	17.91	11.07
		Edelweiss Financial Services Limited	3.54	0.58
		Edelweiss Broking Limited	6.17	7.21
		ECap Equities Limited	1.16	1.49
		ECL Finance Limited	0.01	0.03
		Edelweiss Alternative Asset Advisors Limited	0.11	0.23
		Edelweiss Alternative Asset Advisors Limited	-	0.23
		Edelweiss Comtrade Limited	-	0.03
		Edelweiss Securities Limited	0.22	1.31
14	Reimbursements paid to	Edelweiss Rural & Corporate Services Limited	0.23	11.52
15	Clearing charges paid to	Edelweiss Custodial Services Limited	0.14	0.23
16	ESOP expense paid to	Edelweiss Financial Services Limited	0.96	-
17	Nomination deposits received back from	Edelweiss Retail Finance Limited	0.60	-
18	Nomination deposits given back to	Edelweiss Retail Finance Limited	0.10	-
19	Income distribution from	EW Clover scheme	-	100.00
20	Brokerage paid to	Edelweiss Securities Limited	18.63	17.10
21	Professional fees paid to	Edelweiss Rural & Corporate Services Limited	22.74	23.53
22	Amt paid to broker for Cash segment	Edelweiss Securities Limited	35,211.01	23,031.08
23	Amt received from broker for Cash segment	Edelweiss Securities Limited	35,385.32	23,633.97
24	Sale of Debt securities	ECL Finance Limited	240.13	-
		Edelweiss Tokio life Insurance Company Limited	51.05	-
25	Remuneration paid to	Piyush Chamria	8.34	-
26	Fixed assets purchase from	Edelweiss Securities Limited	-	1.16
		ECL Finance Limited	-	1.05
		ECap Equities Limited	-	0.57
	Sale of Fixed asset	Edelweiss Rural & Corporate Services Limited	0.04	-
		ECL Finance Limited	0.01	-



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

37 Related Parties disclosure in accordance with Ind AS 24:

ii. Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2019	For the year ended 31 March 2018
	Balances with Related Parties			
28	Preference share capital issued to	Edelweiss Broking Limited	0.05	0.05
		ECap Equities Limited	261.20	-
		Edelweiss Securities Limited	225.00	-
29	Short term loans taken from	ECap Equities Limited	3,426.63	-
		Edelweiss Rural & Corporate Services Limited	0.51	1,473.31
30	Interest payable on loans taken from#	Edelweiss Rural & Corporate Services Limited**	0.00	33.43
		ECap Equities Limited	29.16	-
31	Trade payables to	Edelweiss Securities Limited	44.00	-
		ECap Equities Limited	0.15	0.74
		Edelweiss Rural & Corporate Services Limited	16.36	14.48
		Edelweiss Alternative Asset Advisors Limited	0.13	0.28
		Edelweiss broking Limited	-	2.05
32	Nomination deposits receivable from	Edelweiss Retail Finance Limited	-	0.60
33	Nomination deposits payable to	Edelweiss Retail Finance Limited	-	0.10
34	Other payable to	Edelweiss Broking Limited	0.22	0.16
		Edelweiss Rural & Corporate Services Limited	0.04	1.28
		ECL Finance Limited	0.18	-
		Edelweiss Alternative Asset Advisors Limited	0.07	-
		Edelweiss Asset Management Limited	-	0.56
		Edelweiss Comtrade Limited	-	0.03
		Edelweiss Financial Services Limited	0.96	-
35	Investments in equity shares of	Edelweiss Retail Finance Limited	2,384.39	2,384.39
		Edelweiss Asset Reconstruction Company Limited	221.86	221.86
36	Investment in preference shares of	Allium Finance Private Limited	123.88	-
37	Investments in unit capital of	EW Clover Scheme	250.00	250.00
38	Trade receivables from	ECL Finance Limited	0.01	-
		Edelweiss Securities Limited	-	119.50
39	Other receivables from	Edelweiss Securities Limited	0.39	0.35
		ECap Equities Limited	0.02	1.34
		Edelweiss Rural & Corporate Services Limited	0.87	0.01
40	Interest receivable on margins placed with	Edelweiss Custodial Services Limited	3.75	3.09
		Edelweiss Securities Limited	-	0.16
41	Margins placed with broker	Edelweiss Securities Limited	197.06	-
		Edelweiss Custodial Services Limited	2,363.58	1,329.65

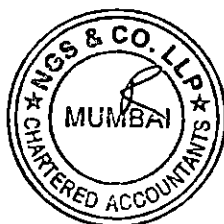
Note (1): Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting year.

Note (2): Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee : Loans have been given for general business purpose.

Note (3): Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

Note (4): Edel Commodities Limited and EFSL Trading Limited was merged into EFSL Comtrade Limited vide Order of National Company Law Tribunal at Hyderabad. Further With effect from the Appointed Date i.e. 01 August 2018, EFSL Comtrade Limited, Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, Edelweiss Capital Markets Limited and Edelweiss Fund Advisors Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd). Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged are considered to be transacted with Edelweiss Rural & Corporate Services Limited and disclosed accordingly

** Rs 0.00 refers to amount less than Rs. 0.01 millions



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

38 Earnings per share

The computation of earning per share is set out in below table:

Particulars	31 March 2019	31 March 2018
(a) (Loss)/profit after tax (as per statement of profit and loss)	(345.80)	492.92
Less: dividend on preference share capital	-	-
Net profit for the year attributable to equity shareholders	(345.80)	492.92
(b) Calculation of weighted average number of equity Shares of Rs. 10 each		
Number of shares outstanding at the beginning of the year	300,000	300,000
Number of Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	300,000	300,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	300,000	300,000
(c) Basic and diluted earnings per share (in rupees) (a)/(b)	-1,152.67	1,643.06

39 Contingent liabilities and capital commitments

Contingent liabilities

The Company has pending taxation matters of Rs 0.11 millions as at balance sheet date (Previous year: Rs. 38.48 millions).

The Company has received demand notice/s from tax authorities on account of disallowance of expenditure under Section 14A of Income Tax Act, 1961, read with Rule 8D of Income Tax Rules, 1962, the Company has filed appeal/s and is defending its position. Due to lack of clarity on the legal position relating to application of Rule 8D, the outcome and quantification of the eventual tax liability on the Company, if any, at this stage cannot be estimated. The Company has been advised by its tax counsel that it has a good chance in sustaining its position.

Capital commitments

The Company has capital commitments amounting to Rs. 1.77 millions as at the balance sheet date (Previous year: Rs. 0.08 millions).

40 Risk management framework:-

a) Governance framework

The primary objective of the company's risk and financial management framework is to protect the company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

b) Approach to capital management

Company objectives when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	31 March 2019	31 March 2018	31 March 2017
Total Debt	5,295	3,141	1,892
Equity	1,436	1,783	2,456
Net debt to equity	3.69	1.76	0.77



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

41 Disclosure pursuant to Indian Accounting Standard 19 - Employee benefits

(a) Defined contribution plan (provident fund)

Amount of Rs. 8.00 millions (Previous year: Rs. 6.88 millions) is recognised as expenses and included in "Employee benefit" – Note 34 in the statement of profit and loss.

(b) Defined benefit plan (gratuity):

The following tables summarise the components of the net employee benefit expenses recognised in the statement of profit and loss and amounts recognised in the balance sheet for the gratuity benefit plan.

Statement of profit and loss of the year

Net employee benefit expenses (recognised in employee cost):

	31 March 2019	31 March 2018
Current service cost	2.42	1.72
Interest on defined benefit obligation	0.56	0.40
Past service cost	-	-
Actuarial loss/(gain)	-	-
Total included in employee benefit expenses	2.98	2.12

Balance sheet

Details of provision for gratuity:

	31 March 2019	31 March 2018
Liability at the end of the year	11.66	7.11
Amount in balance sheet	11.66	7.11

Changes in the present value of the defined benefit obligation are as follows:

	31 March 2019	31 March 2018
Liability at the beginning of the year	7.11	4.91
Transfer in/(out)	0.49	1.04
Interest cost	0.56	0.40
Current service cost	2.42	1.72
Benefits Paid	-	(1.74)
Past service cost	-	-
Actuarial (gain)/loss on obligations	1.09	0.79
Liability at the end of the year	11.66	7.11

Disclosure pursuant to Indian Accounting Standard 19 - Employee benefits (continued)

Non-current liability at the end of the year

10.38

Current liability at the end of the year

1.28

Amount recognised in the balance sheet:

	For the year ended				
	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Liability at the end of the year	11.66	7.11	4.91	2.14	1.09
Fair value of plan assets at the end of year	-	-	-	-	-
Amount recognized in balance sheet	11.66	7.11	4.91	2.14	1.09

Experience adjustment:

	For the year ended				
	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
On plan liabilities (gain)/loss	0.88	1.00	(0.02)	0.55	0.41
On plan assets (gain)/loss	-	-	-	-	-
Estimated contribution for next year	-	-	-	-	-

Principle actuarial assumptions at the balance sheet date:

	31 March 2019	31 March 2018
Discount rate current	7.00%	7.30%
Salary escalation current	7.00%	7.00%
Employees attrition rate	13%-25%	13%-25%
Expected return on plan assets	7.30%	6.80%
Mortality rate	IALM 2012-14 (Ultimate)	IALM 2006-08 (Ultimate)



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

41. Disclosure pursuant to Indian Accounting Standard 19 - Employee benefits

Movement in other comprehensive income

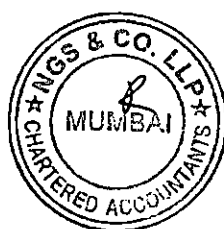
	31 March 2019	31 March 2018	31 March 2017
Balance at start of year (loss)/ gain	Nil	Nil	Nil
Re-measurements on defined benefit obligation			
a) Actuarial (loss)/ gain from changes in demographic assumptions	-	-	-
b) Actuarial (loss)/ gain from changed in financials assumptions	(0.21)	0.22	(0.16)
c) Actuarial (loss)/ gain from experience over last past year	(0.88)	(1.00)	0.02
Re-measurements on Plan Assets			
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	-	-	-
Balance at end of year (loss)/ gain	(1.09)	(0.78)	(0.14)

Sensitivity Analysis:

DBO increases/ (decreases) by	31 March 2019	31 March 2018
1% Increase in salary growth rate	0.75	0.46
1% Decrease in salary growth rate	(0.68)	(0.42)
1% Increase in discount rate	(0.68)	(0.42)
1% Decrease in discount rate	0.76	0.47
1% Increase in withdrawal rate	(0.08)	(0.06)
1% Decrease in withdrawal rate	0.09	0.06
Mortality (increase in expected lifetime by 1 year)	Negligible change	Negligible change
Mortality (increase in expected lifetime by 3 years)	Negligible change	Negligible change

Movement in Surplus / (Deficit)

	31 March 2019	31 March 2018	31 March 2017
Surplus / (deficit) at start of year	(7.11)	(4.91)	(2.14)
Net (acquisition) / divestiture	-	-	-
Net transfer (in)/ out	(0.49)	(1.04)	(1.96)
Movement during the year	-	-	-
Current service cost	(2.42)	(1.72)	(0.93)
Past service cost	-	-	-
Net interest on net defined benefit obligation	(0.56)	(0.40)	(0.30)
Changes in foreign exchange rate	-	-	-
Re-measurements	(1.09)	(0.79)	(0.14)
Contributions / benefits	-	1.74	0.56
Surplus / (deficit) at end of year	(11.67)	(7.12)	(4.91)



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

42 Liquidity risk:

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its trade payables earlier than expected.

A. 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.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at 31 March 2019	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	66.46	-	-	-	-	66.46
Borrowing (other than debt securities)	3,456.31	-	-	-	-	3,456.31
Subordinated financial liabilities	-	-	1,839.01	-	-	1,839.01
Other financial liabilities	33.00	-	-	-	-	33.00
Total undiscounted non-derivative financial liabilities	3,555.77	-	1,839.01	-	-	5,394.78

As at 31 March 2018	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	27.39	-	-	-	-	27.39
Borrowing (other than debt securities)	1,506.74	-	-	-	-	1,506.74
Subordinated financial liabilities	-	-	1,634.26	-	-	1,634.26
Other financial liabilities	65.40	-	-	-	-	65.40
Total undiscounted non-derivative financial liabilities	1,599.53	-	1,634.26	-	-	3,233.79

As at 1 April 2017 (i.e. 31 March 2017)	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	472.47	-	-	-	-	472.47
Borrowing (other than debt securities)	1,087.27	-	-	-	-	1,087.27
Subordinated financial liabilities	-	-	804.65	-	-	804.65
Other financial liabilities	52.08	-	-	-	-	52.08
Total undiscounted non-derivative financial liabilities	1,611.82	-	804.65	-	-	2,416.47

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

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

As at 31 March 2019	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	4.64	7.30	-	-	-	11.94
Stock in trade	1,593.82	-	-	-	-	1,593.82
Trade receivables	0.19	-	-	-	-	0.19
Investments at fair value through profit or loss	-	-	1.59	451.27	-	452.86
Investments -	3.87	-	-	-	2,730.13	2,734.00
Other financial assets	2,555.91	-	0.42	-	-	2,556.33
Total	4,158.43	7.30	2.01	451.27	2,730.13	7,349.14



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

42 Liquidity risk:

As at 31 March 2018	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	15.96	6.37	-	-	-	22.33
Stock in trade	745.96	-	-	-	-	745.96
Trade receivables	126.07	-	-	-	-	126.07
Investments at fair value through profit or loss	-	41.76	6.51	454.59	-	502.86
Investments	-	-	-	-	2,730.13	2,730.13
Other financial assets	1,341.59	-	1.10	-	-	1,342.69
Total	2,229.58	48.13	7.61	454.59	2,730.13	5,470.04

As at 1 April 2017 (i.e. 31 March 2017)	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	36.90	6.35	-	-	-	43.25
Stock in trade	1,424.44	-	-	-	-	1,424.44
Trade receivables	9.38	-	-	-	-	9.38
Investments at fair value through profit or loss	-	-	160.12	435.65	-	595.77
Investments	-	-	-	-	2,230.13	2,230.13
Other financial assets	1,033.86	-	1.10	-	-	1,034.96
Total	2,504.58	6.35	161.22	435.65	2,230.13	5,337.93

C. Maturity analysis for derivatives:

All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

As at 31 March 2019	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Net settled derivatives entered into for trading purposes	(582.83)	-	-	-	-	(582.83)
Total	(582.83)	-	-	-	-	(582.83)

As at 31 March 2018	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Net settled derivatives entered into for trading purposes	(459.26)	-	-	-	-	(459.26)
Total	(459.26)	-	-	-	-	(459.26)

As at 1 April 2017 (i.e. 31 March 2017)	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Net settled derivatives entered into for trading purposes	(252.68)	-	-	-	-	(252.68)
Total	(252.68)	-	-	-	-	(252.68)



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

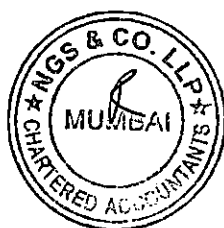
43 Fair values of financial instruments

(a) Fair value hierarchy

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

Particulars	1 April 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	164.34	-	-	164.34
Total derivative financial instruments (assets)	164.34	-	-	164.34
Stock in trade				
Other debt securities and preference shares	0.01	-	-	0.01
Mutual fund units	622.82	-	-	622.82
Equity instruments	801.60	-	-	801.60
Total stock in trade	1,424.43	-	-	1,424.43
Investments				
Other debt securities and preference shares	41.76	-	-	41.76
Units of Alternative Investment Funds	-	-	435.65	435.65
Equity instruments	118.36	-	-	118.36
Total investments measured at fair value	160.12	-	435.65	595.77
Total financial assets measured at fair value on a recurring basis	1,748.89	-	435.65	2,184.54

Particulars	1 April 2017			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	417.02	-	-	417.02
Total derivative financial instruments (liabilities)	417.02	-	-	417.02



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

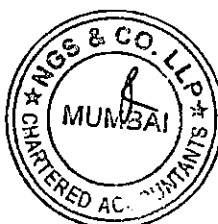
43 Fair values of financial instruments

(a) Fair value hierarchy

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

Particulars	31 March 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	0.53	-	-	0.53
Total derivative financial instruments (assets)	0.53	-	-	0.53
Stock in trade				
Other debt securities and preference shares	0.01	-	-	0.01
Mutual fund units	101.90	-	-	101.90
Equity instruments	644.05	-	-	644.05
Total stock in trade	745.96	-	-	745.96
Investments				
Other debt securities and preference shares	41.76	-	-	41.76
Units of Alternative Investment Funds	-	-	454.63	454.63
Equity instruments	6.47	-	-	6.47
Total investments measured at fair value	48.23	-	454.63	502.86
Total financial assets measured at fair value on a recurring basis	794.72	-	454.63	1,249.35

Particulars	31 March 2018			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	459.79	-	-	459.79
Total derivative financial instruments (liabilities)	459.79	-	-	459.79



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

43 Fair values of financial instruments

(a) Fair value hierarchy

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

Particulars	31 March 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	32.17	-	-	32.17
Total derivative financial instruments (assets)	32.17	-	-	32.17
Stock in trade				
Mutual fund units	1,375.35	-	-	1,375.35
Equity instruments	218.47	-	-	218.47
Total stock in trade	1,593.82	-	-	1,593.82
Investments				
Units of Alternative Investment Funds	-	-	451.27	451.27
Equity instruments	1.59	-	-	1.59
Total investments measured at fair value	1.59	-	451.27	452.86
Total financial assets measured at fair value on a recurring basis	1,627.58	-	451.27	2,078.85

Particulars	31 March 2019			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (liabilities):				
Exchange-traded derivatives	615.00	-	-	615.00
Total derivative financial instruments (liabilities)	615.00	-	-	615.00

Fair valuation techniques:

(i) Equity instruments and units of Alternative Investment Funds

The majority of equity instruments are actively traded on recognized stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such NAV Such instruments are generally Level 3. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

(ii) Derivatives

The Company enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are exchange traded futures and options contracts. The most frequently applied valuation techniques include quoted price for exchange traded derivatives and Black Scholes models (for option valuation).



Edelcap Securities Limited

Notes to the financial statements (Continued)

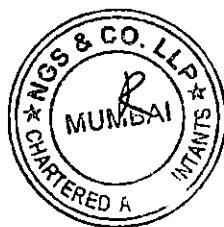
(Currency: Indian rupees in millions)

43 Fair values of financial instruments

(b) Movement in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening balances and the closing balances for fair value

Particulars	31 March 2019	31 March 2018
Opening	454.63	435.65
Purchase	15.00	38.79
Sales	-	-
Gains / (losses) for the year recognised in profit or loss	(18.36)	(19.81)
Gains / (losses) for the year recognised in other comprehensive income	-	-
Closing	451.27	454.63
Unrealised gains / (losses) related to balances held at the end of the year	(18.36)	(19.81)



ECap Equities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

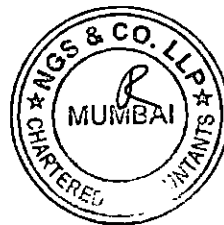
43 Fair values of financial instruments

(c) 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 2019	Fair value of liability as on 31 March 2019	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
Investments in units of AIF	451.27	-	Net assets approach	Fair value of underlying investments	11,300 to 12,000 per unit	5%	22.56	5%	(22.56)

Type of financial Instruments	Fair value of asset as on 31 March 2018	Fair value of liability as on 31 March 2018	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
Investments in units of AIF	454.63	-	Net assets approach	Fair value of underlying investments	11,000 to 13,000 per unit	5%	22.73	5%	(22.73)



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

44 Total market risk exposure

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The 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 using other sensitivity analyses.

Market Risk can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to price risk. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.

Particulars	31 March 2019			31 March 2018			1 April 2017 (i.e. 31 March 2017)		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets									
Cash and cash equivalent and other bank balances	11.94	-	11.94	22.33	-	22.33	43.25	-	43.25
Derivative financial instruments	8.15	8.15	-	0.07	0.07	-	106.91	106.91	-
Stock in trade	1,593.82	1,593.82	-	745.96	745.96	-	1,424.44	1,424.44	-
Trade receivables	0.19	-	0.19	126.07	-	126.07	9.38	-	9.38
Investments at fair value through profit or loss - Group	-	-	-	-	-	-	-	-	-
Investments at fair value through profit or loss	452.86	-	452.86	502.86	-	502.86	595.76	-	595.76
Investments - at amortised cost	3.87	-	3.87	-	-	-	-	-	-
Other financial assets	1,965.35	1,959.80	5.55	883.36	870.01	13.35	675.37	671.95	3.42
Total	4,036.18	3,561.77	474.41	2,280.65	1,616.04	664.61	2,855.11	2,203.30	651.81
Liability									
Borrowings (other than debt securities)	3,456.31	-	3,456.31	1,506.74	-	1,506.74	1,087.27	-	1,087.27
Subordinated liabilities	1,839.01	-	1,839.01	1,634.26	-	1,634.26	804.65	-	804.65
Trade payables	66.46	-	66.46	27.39	-	27.39	472.47	-	472.47
Other financial liabilities	33.00	-	33.00	65.40	-	65.40	52.08	-	52.08
Total	5,394.78	-	5,394.78	3,233.79	-	3,233.79	2,416.47	-	2,416.47



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

45 Analysis of risk concentration

Industry analysis - Risk concentration for 31 March 2019

Particulars	Financial services	Government	Consumers	Retail and wholesale	Construction	Manufacturing	Oil & gas	Services	Total
Financial assets									
Cash and cash equivalent and other bank balances	11.94	-	-	-	-	-	-	-	11.94
Derivative financial instruments	8.15	-	-	-	-	-	-	-	8.15
Financial assets carried at fair value through profit and loss	447.40	-	-	-	-	5.46	-	-	452.86
Investments - at amortised cost	3.87	-	-	-	-	-	-	-	3.87
Investment - Group	2,730.13	-	-	-	-	-	-	-	2,730.13
Stock in trade	1,402.86	-	20.35	19.81	7.55	65.56	3.20	74.49	1,593.82
Trade and other receivables	0.19	-	-	-	-	-	-	-	0.19
Other financial assets	1,965.35	-	-	-	-	-	-	-	1,965.35
Total	6,569.89	-	20.35	19.81	7.55	71.02	3.20	74.49	6,766.31
Other Commitments	-	-	-	-	-	-	-	-	-
Total	6,569.89	-	20.35	19.81	7.55	71.02	3.20	74.49	6,766.31

Industry analysis - Risk concentration for 31 March 2018

Particulars	Financial services	Government	Consumers	Retail and wholesale	Construction	Manufacturing	Oil & gas	Services	Total
Financial assets									
Cash and cash equivalent and other bank balances	22.33	-	-	-	-	-	-	-	22.33
Derivative financial instruments	0.07	-	-	-	-	-	-	-	0.07
Financial assets carried at fair value through profit and loss	454.63	-	-	-	-	48.23	-	-	502.86
Investment - Group	2,730.13	-	-	-	-	-	-	-	2,730.13
Stock in trade	559.66	-	12.98	5.43	3.50	0.68	10.75	152.96	745.96
Trade and other receivables	126.07	-	-	-	-	-	-	-	126.07
Other financial assets	883.36	-	-	-	-	-	-	-	883.36
Total	4,776.25	-	12.98	5.43	3.50	48.91	10.75	152.96	5,010.78
Other Commitments	-	-	-	-	-	-	-	-	-
Total	4,776.25	-	12.98	5.43	3.50	48.91	10.75	152.96	5,010.78

Industry analysis - Risk concentration for 01 April 2017 (i.e. 31-March-2017)

Particulars	Financial services	Government	Consumers	Retail and wholesale	Construction	Manufacturing	Oil & gas	Services	Total
Financial assets									
Cash and cash equivalent and other bank balances	43.25	-	-	-	-	-	-	-	43.25
Derivative financial instruments	106.91	-	-	-	-	-	-	-	106.91
Financial assets carried at fair value through profit and loss	435.65	-	-	-	-	160.11	-	-	595.76
Investment - Group	2,230.13	-	-	-	-	-	-	-	2,230.13
Stock in trade	671.00	-	17.44	15.95	11.21	6.74	645.02	57.08	1,424.44
Trade and other receivables	9.38	-	-	-	-	-	-	-	9.38
Other financial assets	675.37	-	-	-	-	-	-	-	675.37
Total	4,171.69	-	17.44	15.95	11.21	166.85	645.02	57.08	5,085.24
Other Commitments	-	-	-	-	-	-	-	-	-
Total	4,171.69	-	17.44	15.95	11.21	166.85	645.02	57.08	5,085.24



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

46 Disclosure related to collateral

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

31 March 2019	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	7.18	-	-	4.76	11.94
Stock in trade	1,312.89	-	280.93	-	1,593.82
Trade receivables	-	-	0.19	-	0.19
Derivative assets	-	-	-	8.15	8.15
Investments	-	-	3,186.86	-	3,186.86
Other financial assets	1,964.28	-	-	1.07	1,965.35
Property, plant and equipment	-	-	-	8.41	8.41
Other Intangible assets	-	-	-	0.97	0.97
Other non financial assets	-	-	-	21.70	21.70
Total assets	3,284.35	-	3,467.98	45.06	6,797.39

31 March 2018	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	6.30	-	-	16.03	22.33
Stock in trade	140.50	-	605.46	-	745.96
Trade receivables	-	-	126.07	-	126.07
Derivative assets	-	-	-	0.07	0.07
Investments	-	-	3,232.99	-	3,232.99
Other financial assets	873.56	-	-	9.80	883.36
Property, plant and equipment	-	-	-	9.13	9.13
Other Intangible assets	-	-	-	1.39	1.39
Other non financial assets	-	-	-	17.40	17.40
Total assets	1,020.36	-	3,964.52	53.82	5,038.70

1 April 2017	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	6.30	-	-	36.95	43.25
Stock in trade	692.76	-	731.68	-	1,424.44
Trade receivables	-	-	9.38	-	9.38
Derivative assets	-	-	-	106.91	106.91
Investments	-	-	2,825.89	-	2,825.89
Other financial assets	672.39	-	-	2.98	675.37
Property, plant and equipment	-	-	-	5.92	5.92
Other Intangible assets	-	-	-	0.18	0.18
Other non financial assets	-	-	-	2.42	2.42
Total assets	1,371.45	-	3,566.95	155.36	5,093.76



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

47 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.

Particulars	31 March 19			31 March 18			1 April 17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	4.64	-	4.64	15.96	-	15.96	36.90	-	36.90
Other bank balances	7.30	-	7.30	1.37	5.00	6.37	6.35	-	6.35
Derivative financial instruments	8.15	-	8.15	0.07	-	0.07	106.91	-	106.91
Stock in trade	1,593.82	-	1,593.82	745.96	-	745.96	1,424.44	-	1,424.44
Other receivables	0.19	-	0.19	126.07	-	126.07	9.38	-	9.38
Investments	3.87	3,182.99	3,186.86	41.76	3,191.23	3,232.99	-	2,825.89	2,825.89
Other financial assets	1,964.92	0.43	1,965.35	882.26	1.10	883.36	674.27	1.10	675.37
	3,582.89	3,183.42	6,766.31	1,813.45	3,197.33	5,010.78	2,258.25	2,826.99	5,085.24
Non-financial assets									
Current tax assets (net)	-	41.29	41.29	-	37.01	37.01	1.45	35.47	36.92
Deferred tax assets (net)	-	22.88	22.88	-	32.68	32.68	-	-	-
Property, plant and equipment	-	8.41	8.41	-	9.13	9.13	-	5.92	5.92
Other intangible assets	-	0.97	0.97	-	1.39	1.39	-	0.18	0.18
Other non-financial assets	21.70	-	21.70	17.40	-	17.40	2.42	-	2.42
	21.70	73.55	95.25	17.40	80.21	97.61	3.87	41.57	45.44
Total assets	3,604.59	3,256.97	6,861.56	1,830.85	3,277.54	5,108.39	2,262.12	2,868.56	5,130.68

Particulars	31 March 19			31 March 18			1 April 17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities									
Other payables	66.46	-	66.46	27.39	-	27.39	472.47	-	472.47
Borrowing (other than debt securities)	3,456.31	-	3,456.31	1,506.74	-	1,506.74	1,087.27	-	1,087.27
Subordinated Liabilities	1,839.01	-	1,839.01	1,634.26	-	1,634.26	804.65	-	804.65
Other financial liabilities	33.00	-	33.00	65.40	-	65.40	52.08	-	52.08
	5,394.78	-	5,394.78	3,233.79	-	3,233.79	2,416.47	-	2,416.47
Non-financial liabilities									
Current tax liabilities (net)	9.29	-	9.29	56.46	-	56.46	180.75	-	180.75
Provisions	1.75	12.56	14.31	1.06	7.81	8.87	0.87	5.06	5.93
Deferred tax liabilities (net)	-	-	-	-	-	-	-	67.40	67.40
Other non-financial liabilities	6.78	-	6.78	26.32	-	26.32	4.54	-	4.54
	17.82	12.56	30.38	83.84	7.81	91.65	186.16	72.46	258.62
Total liabilities	5,412.60	12.56	5,425.16	3,317.63	7.81	3,325.44	2,602.63	72.46	2,675.09



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

48 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

(i) Interest rate risk

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

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Currency of borrowing / advances	2018-19					
	Increase in IRF rate (%)	Effect on profit before tax	Effect on Equity	Decrease in IRF rate (%)	Effect on profit before tax	Effect on Equity
INR	5	(5.88)		5	5.88	

Currency of borrowing / advances	2017-18					
	Increase in IRF price (%)	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	5	(9.50)		5	9.50	

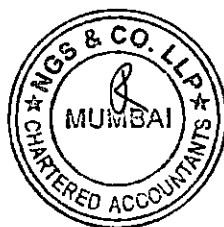
(ii) Currency risk

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

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities) and equity (due to the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges).

Currency	2018-19					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	42.90		5	(42.90)	

Currency	2017-18					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	(6.31)		5	6.31	



Edelcap Securities Limited**Notes to the financial statements (Continued)**

(Currency: Indian rupees in millions)

48 Market risk**(iii) Equity price risk**

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.

2018-19						
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	30.75		5	(30.75)	
Mutual fund units	5	68.77		5	(68.77)	
Equity instruments	5	11.00		5	(11.00)	
Debt instruments (incl preference)	5	0.19		5	(0.19)	
Units of AIF	5	22.56		5	(22.56)	

2017-18						
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	0.08		5	(0.08)	
Mutual fund units	5	5.09		5	(5.09)	
Equity instruments	5	32.53		5	(32.53)	
Debt instruments (incl preference)	5	2.09		5	(2.09)	
Units of AIF	5	22.73		5	(22.73)	

(iv) Index price risk

Index price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of equity indices.

2018-19						
Impact on	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	18.17		5	(18.17)	

2017-18						
Impact on	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	(22.16)		5	22.16	



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

49 Reconciliation of total comprehensive income for the year ended 31 March 2018 under erstwhile Indian GAAP and Ind AS as summarised below:

(a) Reconciliation of total comprehensive income for the year ended 31st March 2018:

Particulars	31 March 2018
Net (loss)/ profit after tax as reported under Indian GAAP	581.42
Ind AS adjustments on account of:	
Finance cost on preference share issued	(100.80)
Fair valuation of stock in trade	(16.45)
Fair valuation of non-current investments	(77.77)
Reversal of goodwill amortization	70.73
ESOP charges based on fair value	3.03
Actuarial gains/loss on valuation of gratuity	0.79
Deferred tax on above adjustments (net)	31.97
Profit as per Ind AS	492.92
Other comprehensive income as per Ind AS	(0.51)
Total comprehensive income under Ind AS	492.41

(b) Reconciliation of Total Equity

	31 March 2018	31 March 2017
Total Equity / Shareholders' Funds as per Previous GAAP	3,560.24	3,129.09
Adjustments:		
Preference shares issued to group companies	(1,634.26)	(804.65)
Fair valuation of non-current investments	77.63	155.41
Fair valuation of stock in trade	28.71	45.15
Reversal of goodwill	(282.94)	-
Reversal of goodwill amortization	70.73	-
Tax adjustment on above items	(37.16)	(69.41)
Total adjustment to Equity	(1,777.29)	(673.50)
Total Equity / Shareholders' Funds as per Ind AS	1,782.95	2,455.59



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

50 Cash flow disclosure

Change in liabilities arising from financing activities

Particulars	1 April 2018	Cash flows	Changes in fair values	Others	31 March 2019
Borrowings other than debt securities	1,506.74	1,953.84	-	(4.27)	3,456.31
Subordinated liabilities	1,634.26	-	-	204.75	1,839.01
Total liabilities from financing activities	3,141.00	1,953.84	-	200.48	5,295.32

Particulars	1 April 2017	Cash flows	Changes in fair values	Others	31 March 2018
Borrowings other than debt securities	1,087.27	38.78	-	380.69	1,506.74
Subordinated liabilities	804.65	-	728.76	100.85	1,634.26
Total liabilities from financing activities	1,891.92	38.78	728.76	481.54	3,141.00

51 First-time adoption – mandatory exceptions, optional exemptions

Overall principle:

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Derecognition of financial assets and financial liabilities:

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

Impairment of financial assets:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Accounting estimates:

The Company's estimates in accordance with Ind AS at the transition date are consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). The same applies to the comparative period presented.

Past business combinations:

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

Deemed cost for property, plant and equipment, and intangible assets:

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



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

52 Prior period comparatives

Previous year's figures have been regrouped and rearranged wherever necessary to conform to current year's presentation

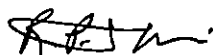
As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W

For and on behalf of the Board of Directors



R. P. Soni

Partner

Membership No.: 104796

Mumbai

10 May 2019



Rituparna Barman Roy

Director

DIN: 08050620



Ashish Gupta

Director

DIN: 07775554

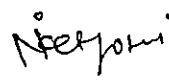


Ritesh S Jain

Chief Financial Officer

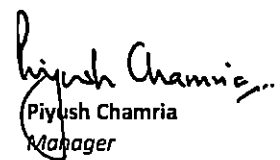
Mumbai

10 May 2019



Niket Joshi

Company Secretary



Piyush Chamria

Manager