

Edelcap Securities Limited

Financial Statements
together with Auditors' Report
for the year ended 31 March 2018

Edelcap Securities Limited

Financial statements together with Auditors' Report
for the year ended 31 March 2018

Contents

Auditors' report

Balance sheet

Statement of profit and loss

Cash flow statement

Notes to the financial statements

Independent Auditors' Report

To
The Members of Edelcap Securities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Edelcap Securities Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

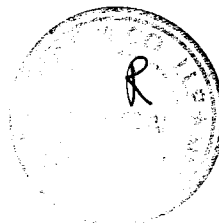
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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



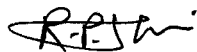
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31 March 2018, and its profit and its cash flows for the year ended on that date.

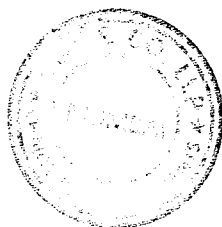
Report on Other Legal and Regulatory Requirements

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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
 - e. on the basis of written representations received from the Directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. 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, 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



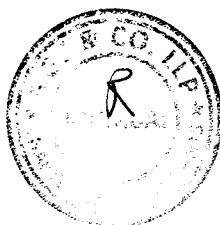
Place: Mumbai
Date: 02 May 2018

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 31 March 2018, 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	61,153,649	A.Y. 2013-14	CIT (A)
Income Tax Act, 1961	Income Tax	111,293	A.Y. 2014-15	CIT (A)

- (viii) In our opinion, and according to information and explanations given to us, the Company has not defaulted in repayment of dues to bank. Further, the Company does not have any loans or borrowings from any financial institute, government and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the term loan taken by the Company has been applied for the purpose for which it was raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (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: 02 May 2018

Annexure B to the Auditors' Report

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 31 March 2018 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.

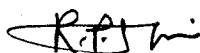
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 31 March 2018, 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: 02 May 2018

Edelcap Securities Limited

Balance Sheet

(Currency: Indian Rupees)

	Note	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	489,250,000	489,200,000
Reserves and surplus	2.2	<u>3,070,985,279</u>	<u>2,639,888,872</u>
		3,560,235,279	3,129,088,872
Non-current liabilities			
Long-term provisions	2.3	7,805,000	5,063,000
Current liabilities			
Short-term borrowings	2.4	1,473,305,719	1,053,777,000
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.35	-	-
Total outstanding dues of creditors other than micro and small enterprises	2.5	27,011,878	472,474,024
Other current liabilities	2.6	584,787,751	491,097,468
Short-term provisions	2.7	<u>57,910,586</u>	<u>181,610,276</u>
		2,143,015,934	2,198,958,768
TOTAL		<u>5,711,056,213</u>	<u>5,333,110,640</u>
ASSETS			
Non-current assets			
Fixed assets	2.8		
Property, Plant and Equipment		9,132,942	5,921,443
Intangible asset		213,601,053	178,546
Non-current investments	2.9	3,155,346,395	2,670,482,843
Deferred tax assets (net)	2.10	33,548,464	2,013,686
Long-term loans and advances	2.11	<u>38,827,279</u>	<u>35,565,730</u>
		3,450,456,133	2,714,162,248
Current assets			
Stock-in-trade	2.12	717,249,868	1,379,276,400
Trade receivables	2.13	126,072,257	9,381,983
Cash and bank balances	2.14	22,255,474	43,199,351
Short-term loans and advances	2.15	61,983,821	7,050,353
Other current assets	2.16	<u>1,333,038,660</u>	<u>1,180,040,305</u>
		2,260,600,080	2,618,948,392
TOTAL		<u>5,711,056,213</u>	<u>5,333,110,640</u>

Significant accounting policies and notes to the financial statements.

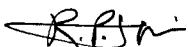
1 & 2

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



R. P. Soni

Partner

Membership No.: 104796

Mumbai

02 May 2018



For and on behalf of the Board of Directors



Avash Patel

Director


DIN: 08054035



Ashish Gupta

Director

DIN: 07775554



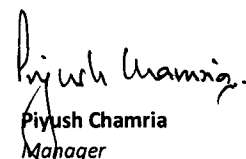
Ritesh S Jain

Chief Financial Officer



Niket Joshi

Company Secretary



Piyush Chamria

Manager

Mumbai

02 May 2018

Edelcap Securities Limited

Statement of Profit and Loss

(Currency: Indian Rupees)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Fee and commission income	2.17	9,481,477	97,631,666
Income from treasury operations	2.18	1,327,180,433	1,141,775,818
Interest income	2.19	68,182,327	17,060,174
Sale of commodities		-	44,081,906
Other income	2.20	-	233,523
Total revenue		1,404,844,237	1,300,783,087
Expenses			
Changes in stock-in-trade of commodities		-	43,449,765
Employee benefit expenses	2.21	258,478,468	113,223,604
Finance costs	2.22	410,309,573	261,716,987
Depreciation and amortisation expenses	2.8	78,273,787	1,176,247
Other expenses	2.23	134,886,566	138,093,167
Total expenses		881,948,394	557,659,770
Profit before tax		522,895,843	743,123,317
Tax expense:			
Income tax (Includes excess provision for earlier years Rs. 45,034,636 (Previous year: Rs. Nil))		79,439,516	170,980,818
MAT credit entitlement (includes entitlement for earlier years Rs. 106,427,020)		(106,427,020)	-
Deferred tax (benefit)/charge		(31,534,778)	1,147,845
Profit after tax		581,418,125	570,994,654
Earnings per equity share:			
Basic and diluted (Face value of Rs. 10 each)	2.28	1,938.06	1,903.32

Significant accounting policies and notes to the financial statements.

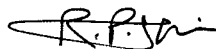
1 & 2

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

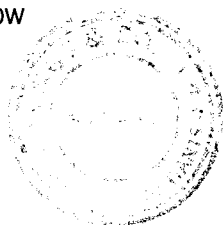
Firm Registration No.: 119850W



R. P. Soni
Partner

Membership No.: 104796

Mumbai
02 May 2018



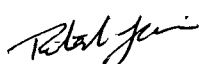
For and on behalf of the Board of Directors



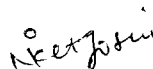
Avash Patel
Director
DIN: 08054035



Ashish Gupta
Director
DIN: 07775554



Ritesh S Jain
Chief Financial Officer



Niket Joshi
Company Secretary



Piyush Chamria
Manager

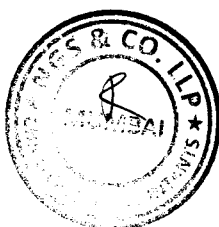
Mumbai
02 May 2018

Edelcap Securities Limited

Cash flow statement

(Currency: Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit before taxation	522,895,843	743,123,317
<i>Adjustments for</i>		
Depreciation and amortisation expenses	78,273,787	1,176,247
Demerger expenses	(5,328)	-
Provision for doubtful debts/bad debts written-off	814,222	45,622
Provision for gratuity and compensated absences	2,947,509	3,421,792
Profit on sale of investments	(79,032,235)	-
Income from investment in fund	(111,940,228)	-
Loss on sale of fixed assets	8,799	1,410
Interest income	-	(14,020)
Interest expense	385,183,460	236,525,795
Operating cash flow before working capital changes	799,145,829	984,280,163
<i>Adjustments for working capital changes</i>		
(Increase) / decrease in trade receivables	(117,504,499)	29,069,568
Decrease / (increase) in stock-in-trade	662,026,532	(1,216,961,720)
(Increase)/decrease in loans and advances	(21,809,689)	3,690,548
Increase in other assets	(152,998,355)	(699,407,725)
(Decrease) / increase in liabilities and provisions	(351,336,079)	850,617,174
Cash generated from / (used in) operations	817,523,739	(48,711,992)
Income tax paid	(133,679,108)	(2,621,365)
Net cash generated from / (used in) operating activities - A	683,844,631	(51,333,357)
B Cash flow from investing activities		
Purchase of fixed assets	(11,979,041)	(6,963,479)
Purchase of investment	(538,790,000)	(316,524,420)
Sale of investment	132,958,683	-
Income from investment in fund	111,940,228	-
Repayment received of loans given (net) (refer note 2)	-	500,000
Fixed deposit placed	-	(5,000,000)
Interest received	-	32,558
Payment made on account of demerger	(52,459,039)	-
Net cash used in investing activities - B	(358,329,169)	(327,955,341)



Edelcap Securities Limited

Cash flow statement

(Currency: Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
C Cash flow from financing activities		
Proceeds from borrowings (net) (refer note 2)	38,782,998	626,799,379
Interest paid	(385,242,337)	(215,171,627)
Net cash (used in) / generated from financing activities - C	(346,459,339)	411,627,752
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(20,943,877)	32,339,054
Cash and cash equivalents as at the beginning of the year	36,899,351	4,560,297
Cash and cash equivalents as at the end of the year (refer note 1)	15,955,474	36,899,351

Notes:

- 1 Cash and cash equivalents include the following:

Balances with banks:

In current accounts

15,955,474	36,899,351
<u>15,955,474</u>	<u>36,899,351</u>

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

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



R. P. Soni

Partner

Membership No.: 104796

Mumbai

02 May 2018



For and on behalf of the Board of Directors



Avash Patel

Director

DIN: 08054035



Ashish Gupta

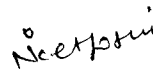
Director

DIN: 07775554



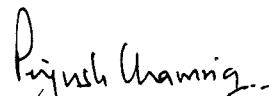
Ritesh S Jain

Chief Financial Officer



Niket Joshi

Company Secretary



Piyush Chamria

Manager

Mumbai

02 May 2018

Edelcap Securities Limited

Notes to the financial statements

1. *Significant accounting policies*

1.1 *Basis of preparation of financial statements*

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

1.2 *Use of estimates*

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

1.3 *Current-non-current classification*

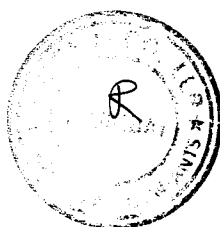
All assets and liabilities are classified into current and non-current.

Assets

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

Liabilities

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



Edelcap Securities Limited

Notes to the financial statements (*continued*)

1. *Significant accounting policies (continued)*

1.4 *Revenue recognition*

- Fee income is accounted on accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Brokerage income is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date.
- Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on derivative instruments.
 - i) Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - ii) Realised profit/loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards/futures/options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, market intermediary quotes, valuation techniques are used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- Profit / loss from share in partnership firm is accounted for once the amount of the share of profit / loss is ascertained and credited / debited to the Company's account in the books of the partnership firm.
- Commodities sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.
- Income from fund is accounted basis the Statement of Accounts received from respective Funds.

1.5 *Impairment of assets*

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs 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.



Edelcap Securities Limited

Notes to the financial statements (continued)

1. Significant accounting policies (continued)

1.6 Foreign currency transactions

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

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

1.7 Fixed assets and depreciation

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

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

Class of assets	Useful Life
Furniture and fittings	10 years
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.

Intangible fixed assets

Intangibles such as software are amortized over a period of 3 years based on its estimated useful life. Goodwill is amortised over a period of 5 years.

1.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less



Edelcap Securities Limited

Notes to the financial statements (*continued*)

1. *Significant accounting policies (continued)*

1.9 *Borrowing Costs*

Borrowing costs include interests, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

1.10 *Derivatives*

1 (a) Outstanding derivative contracts are measured at fair value as at each Balance Sheet date. Fair value of derivatives is determined using quoted market prices in an actively traded market for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases, the valuation techniques used as input parameters are observable market data in order to ensure reliability of the fair value measure.

1 (b) In accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India effective from 1 April 2016, the Company recognises all mark to market gains or losses on derivative contracts in the statement of profit and loss.

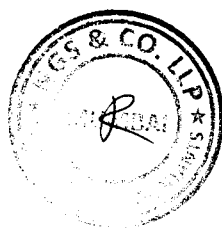
2 (a) "Margin – Equity Derivative Instrument" representing the initial margin paid and /or additional margin paid over and above the initial margin, for entering into contracts for equity index/ stock futures and equity index/ stock options, which are released on final settlement / squaring – up of the underlying contracts, are disclosed under other current assets. "Margin Deposits – Equity Derivative Instrument" representing the deposit paid in respect of mark to market margin is disclosed under other current assets.

2 (b) "Equity Index/ Stock Option Premium Account" represents the premium paid or received for buying or selling the options, respectively.

1.11 *Earnings per share*

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – "Earnings Per Share". Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during 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 the 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.



Edelcap Securities Limited

Notes to the financial statements (*continued*)

1. *Significant accounting policies (continued)*

1.12 *Stock-in-trade*

- The securities acquired with the intention of short-term holding and as trading positions are considered as stock-in-trade and disclosed as current assets.
- The securities held as stock-in-trade under current assets are valued at lower of weighted average cost or market value.
- In case of units of mutual funds, net asset value is considered as fair value.
- Stock-in-trade in the form of commodities are valued at weighted average cost or net realizable value, whichever is lower.

1.13 *Investments*

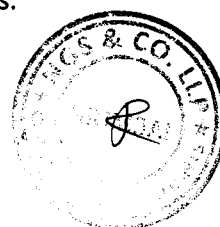
- Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.
- Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.
- Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

1.14 *Provisions and contingencies*

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

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

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



Edelcap Securities Limited

Notes to the financial statements (*continued*)

1. *Significant accounting policies (continued)*

1.15 *Employee benefits*

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

Provident fund

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

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 actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

Compensated leave 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 to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits are determined using the projected unit credit method.

Deferred bonus

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).



Edelcap Securities Limited

Notes to the financial statements (*continued*)

1. *Significant accounting policies (continued)*

1.16 *Taxation*

Income-tax expense comprises of current tax (i.e. amount of tax for the year determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Current tax

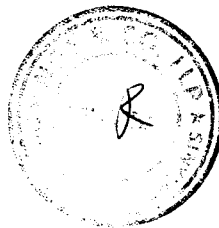
Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax

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

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 at each balance sheet date and written down or written up to reflect the amount that is reasonably certain to be realised.



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.1 Share capital

Authorised:

500,000 (Previous year: 500,000) equity shares of Rs. 10 each

49,500,000 (Previous year: 49,500,000) preference shares of Rs. 10 each

As at
31 March 2018

As at
31 March 2017

5,000,000

5,000,000

495,000,000

495,000,000

500,000,000

500,000,000

Issued, subscribed and paid up:

300,000 (Previous year: 300,000) equity shares of Rs. 10 each

48,625,000 (Previous year: 48,620,000) 7% Non-cumulative non-convertible redeemable preference shares of Rs. 10 each

3,000,000

3,000,000

486,250,000

486,200,000

489,250,000

489,200,000

a. Movement in share capital:

Reconciliation of number of equity shares outstanding:

Number of shares outstanding at the beginning of the year

Shares issued during the year

Number of shares at the end of the year

As at 31 March 2018

As at 31 March 2017

No. of shares

Amount

No. of shares

Amount

300,000

3,000,000

300,000

3,000,000

-

-

-

-

300,000

3,000,000

300,000

3,000,000

Reconciliation of number of preference shares outstanding:

Number of shares outstanding at the beginning of the year

Shares issued during the year

Number of shares at the end of the year

48,620,000

486,200,000

48,620,000

486,200,000

5,000

50,000

-

-

48,625,000

486,250,000

48,620,000

486,200,000

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Terms/rights attached to 7% Non-cumulative non-convertible redeemable preference shares:

47,500,000 - Preference shares of Rs. 10 each were allotted for cash at a premium of Rs. 10 per share. The Preference shares will be redeemed on 30 March 2020. The Shares would be redeemed at Rs. 20 per share.

(i) 2,25,00,000 Preference shares were allotted on 6 August 2014

(ii) 2,50,00,000 Preference shares were allotted on 31 March 2015

1,120,000 - Preference shares of Rs. 10 each were allotted for cash at a premium of Rs. 990 per share. The Preference shares will be redeemed on 30 March 2020. The shares would be redeemed at Rs. 1,000 per share.

(i) 2,20,000 Preference shares were allotted on 5 February 2016

(ii) 9,00,000 Preference shares were allotted on 15 March 2016

5,000 Preference shares of Rs. 10 each were allotted on 15 December 2017, pursuant to the Demerger Scheme (refer note 2.36) without payment being received in cash. These shares would be redeemed at Rs. 10 per share on 30 March 2020

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

Equity shares

ECap Equities Limited along with its nominees

As at 31 March 2018

As at 31 March 2017

No. of shares

%

No. of shares

Amount

300,000

100.00%

300,000

100.00%

300,000

100.00%

300,000

100.00%

Preference shares

ECap Equities Limited

Edelweiss Securities Limited

Edelweiss Broking Limited

26,120,000

53.72%

26,120,000

53.72%

22,500,000

46.27%

22,500,000

46.28%

5,000

0.01%

-

0.00%

48,625,000

100.00%

48,620,000

100.00%

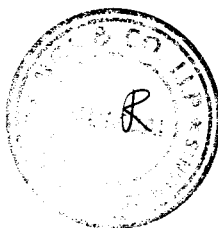


Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.2 Reserves and surplus		
Opening balance	1,583,800,000	1,583,800,000
Add: Additions during the year	-	-
Closing balance	<u>1,583,800,000</u>	<u>1,583,800,000</u>
Surplus in statement of profit and loss		
Opening balance	1,056,088,872	485,094,218
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 (refer note 2.36)	150,321,718	-
Add: Profit for the year	<u>581,418,125</u>	<u>570,994,654</u>
Closing balance	<u>1,487,185,279</u>	<u>1,056,088,872</u>
	<u>3,070,985,279</u>	<u>2,639,888,872</u>



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.3 Long-term provisions		
Provision for employee benefits		
Gratuity	6,366,000	4,234,000
Compensated leave absences	1,439,000	829,000
	<u>7,805,000</u>	<u>5,063,000</u>
2.4 Short-term borrowings		
<u>Unsecured</u>		
Loans from related parties (repayable on demand, at interest rate of 9.75%) (previous year: ranging from 8.75% to 11.5%)	1,473,305,719	1,053,777,000
	<u>1,473,305,719</u>	<u>1,053,777,000</u>
2.5 Trade payables		
Trade payables from non-related parties	9,464,849	8,697,114
Trade payables from related parties	17,547,029	463,776,910
	<u>27,011,878</u>	<u>472,474,024</u>
2.6 Other current liabilities		
Interest accrued and due on borrowings	33,432,828	33,491,705
Nomination deposits	100,000	100,000
Premium received on exchange traded options	459,641,517	400,984,225
Other payables *		
Accrued salaries and benefits	63,822,182	50,850,270
Withholding tax, service tax and other taxes payable	26,316,224	4,544,840
Book overdraft	-	883,739
Others	1,475,000	242,689
(* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2018 (As at 31 March 2017: Nil))		
	<u>584,787,751</u>	<u>491,097,468</u>
2.7 Short-term provisions		
Provision for employee benefits		
Gratuity	742,000	671,000
Compensated absences	327,509	193,000
Others		
Provision for taxation (net of advance tax and tax deducted at source)	56,464,172	180,746,276
Provision for capital expenditure	376,905	-
	<u>57,910,586</u>	<u>181,610,276</u>



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.8 Fixed assets

Description of assets	Gross block		Depreciation and amortisation expenses		Net block	
	As at 1 April 2017	Additions during the year	Deductions / (adjustments) during the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
(A) Property plant and equipment						
Motor vehicles	-	2,767,775	-	2,767,775	800,436	1,967,339
Office equipments	85,041	-	55,545	29,496	21,640	7,856
Computers	7,025,413	7,338,576	-	14,363,989	7,206,242	25,799
Total : A	7,110,454	10,106,351	55,545	17,161,260	8,028,318	7,157,747
B) Intangible asset						
Computer software	331,277	1,872,690	-	2,203,967	660,846	1,390,390
Goodwill *	-	353,684,438	-	353,684,438	(70,746,887)	212,210,663
Total : B	331,277	355,557,128	-	355,888,405	142,287,352	178,546
Grand Total (A+B)	7,441,731	365,663,479	55,545	373,049,665	150,315,670	6,099,989
Previous year	635,234	6,963,479	156,982	7,441,731	1,341,742	6,099,989

Note: Refer note 2.36



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	As at 31 March 2018			As at 31 March 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.9 Non-current investments						
Investments in equity instruments of subsidiary company (fully paid up) (unquoted)						
Edelweiss Retail Finance Limited	10	30,258,333	2,384,389,975	10	25,258,333	1,884,389,975
Investments in equity instruments of other companies (fully paid up) (quoted)						
Claris Lifesciences Limited	-	-	-	10	332,411	53,926,448
Empee Distilleries Limited	10	227,133	14,659,164	-	-	-
Investments in debt instruments of other companies (quoted)						
W. S. Industries (India) Limited	800,000	58	46,400,000	800,000	58	46,400,000
Investments in equity instruments of other companies (fully paid up) (unquoted)						
Edelweiss Asset Reconstruction Company Limited	10	10,564,536	221,855,256	10.00	10,564,536	221,855,256
Investments in preference shares (fully paid up) (unquoted)						
Others						
Allium Finance Private Limited	10	991,056	123,882,000	10	991,056	123,882,000
Investments in warrants						
EW India Special Assets Fund Pte Limited	-	-	-	-	227,133	14,659,164
Investments in venture fund (unquoted)						
Edelweiss Alternative Investment Trust- EW Clover Scheme	10,000	25,000	250,000,000	10,000	25,000	250,000,000
Edelweiss Real Estate Opportunities Fund	10,000	11,875	118,760,000	10,000	8,000	80,010,000
Edelweiss India Real Estate Fund			10,000			-
EC Special Situations Fund			10,000			-
Edelweiss India Special Situations Fund			10,000			-
Edelweiss Infrastructure Yield Plus Fund			10,000			-
			3,159,986,395			2,675,122,843
Less: Provision for diminution in value of investments						
W. S. Industries (India) Limited			(4,640,000)			(4,640,000)
			3,155,346,395			2,670,482,843
Aggregate amount of unquoted investment						
- At carrying value			3,098,927,231			2,574,796,395
Aggregate amount of quoted investment						
- At carrying value			56,419,164			95,686,448
- At market value			57,513,291			148,297,726



Edelcap Securities Limited

Notes to the financial statements (*continued*)

(Currency: Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.10 Deferred tax assets (net)		
Deferred tax assets		
Difference between book and tax depreciation	357,301	-
Provision for doubtful debts/ advances/ diminution on investment	2,832,400	2,698,406
Disallowances under section 43B of the Income Tax Act, 1961	3,101,109	2,051,216
Others	19,219,786	41,537,703
Unrealised gain on equity / derivatives	8,037,868	-
	33,548,464	46,287,325
Deferred tax liabilities		
Difference between book and tax written down value	-	415,665
Unrealised gain on equity / derivatives	-	43,857,974
	-	44,273,639
	33,548,464	2,013,686
2.11 Long-term loans and advances		
Security deposits		
Deposits placed with exchanges	100,000	100,000
Other loans and advances		
Prepaid expenses	1,716,793	-
Advance income tax and tax deducted at sources (net of provision for taxation)	37,010,486	35,465,730
	38,827,279	35,565,730

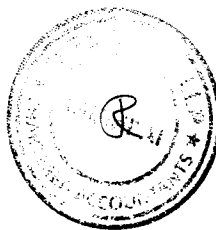


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.12 Inventories		
Securities		
Equity shares (quoted)	615,719,370	761,399,353
Equity shares (unquoted)	1,524,000	-
Preference shares (quoted)	6,498	8,326
Mutual funds (unquoted)	100,000,000	617,868,721
	717,249,868	1,379,276,400
 Aggregate of inventories in equity shares (quoted)		
- At book value	615,719,370	761,399,353
- Market value	642,533,521	801,693,821
 Aggregate of inventories in preference shares (quoted)		
- At book value	6,498	8,326
- Market value	6,946	8,637



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.12 Inventories (continued)

Details of stock-in-trade	As at 31 March 2018			As at 31 March 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Securities						
Equity shares (quoted)						
Agro Phos India Limited	-	-	-	10	258,000	5,676,000
Airan Limited	-	-	-	10	15,000	675,000
BSE Limited	-	-	-	2	32,345	30,853,006
Cairn India Limited	-	-	-	10	1,666,500	498,136,044
Chemcrux Enterprises Limited	-	-	-	10	24,000	432,000
Clarix Lifesciences Limited	-	-	-	10	589	188,775
Coal India Limited	-	-	-	10	462,400	135,321,360
Dilip Buildcon Limited	-	-	-	10	12,629	4,244,867
Global Education Limited	-	-	-	10	8,000	1,200,000
HDFC Bank Limited	-	-	-	2	1	1,442
Husys Consulting Limited	-	-	-	10	14,000	574,000
IIFL holding Limited	2	38,800	27,381,160	2	29,000	11,015,761
IRIS Business Services Limited	10	504,000	16,128,000	-	-	-
Jalan Transolutions (India) Limited	10	120,000	5,520,000	-	-	-
Maheshwari Logistics Limited	10	115,000	7,977,006	10	484,000	32,912,000
Nandani Creation Limited	10	78,000	2,184,000	10	284,000	7,952,000
Qess Corp Limited	10	33,408	34,343,424	-	-	-
RBL Bank Limited	-	-	-	10	10,000	4,864,709
Sakar Healthcare Limited	-	-	-	10	306,000	15,300,000
Spicejet Limited	-	-	-	10	65,000	6,393,043
Shashijit Infraprojects Limited	10	104,000	1,560,000	10	288,000	4,320,000
Shiva Granito Export Limited	-	-	-	10	110,000	1,006,500
Talwalkars Better Value Fitness Limited	10	25,400	4,608,830	-	-	-
Tata Steel Limited	10	1,186	677,265	-	-	-
TCI Express Limited	-	-	-	2	11,149	332,846
Total Transport Systems Limited	10	12,000	540,000	-	-	-
Zydus Wellness Limited	10	3,800	4,376,838	-	-	-
Kalpitaru Power Transmission Limited	2	5,000	2,230,133	-	-	-
GE Power India Limited	10	8,900	7,677,656	-	-	-
Teamlease Services Limited	10	6,600	13,814,394	-	-	-
Lux Industries Limited	2	5,000	8,325,358	-	-	-
Bandhan Bank Limited	10	917,554	429,847,198	-	-	-
Sandhar Technologies Limited	10	146,169	48,528,108	-	-	-
			615,719,370			761,399,353
Equity shares (unquoted)						
Talwalkars Lifestyle Limited		25,400	1,524,000	-	-	-
			1,524,000			-
Preference shares (quoted)						
Zee Entertainment Enterprises Limited	10	914	6,498	10	914	8,326
			6,498			8,326
Mutual funds (unquoted)						
ICICI PRUDENTIAL MUTUAL FUND	-	-	-		2,521,393	600,787,077
AXIS LIQUID FUND	-	-	-		5,419	9,674,294
Aditya Birla Sun Life Cash Plus - Growth	-	-	-		28,889	7,407,350
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan		364,811	100,000,000		-	-
			100,000,000			617,868,721

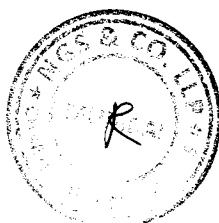


Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.13 Trade receivables		
Debtors outstanding for a period exceeding six months		
<i>Unsecured, considered doubtful</i>	3,465,538	3,157,060
Less: Provision for doubtful debts	<u>3,465,538</u>	<u>3,157,060</u>
	-	-
Other debts		
<i>Unsecured, considered good</i>	126,072,257	9,381,983
Less: Provision for doubtful debts	<u>-</u>	<u>-</u>
	<u>126,072,257</u>	<u>9,381,983</u>
	<u>126,072,257</u>	<u>9,381,983</u>
2.14 Cash and bank balances		
<i>Cash and cash equivalents</i>		
Balances with banks		
- in current accounts	15,955,474	36,899,351
<i>Other balances with banks</i>		
- in fixed deposits (refer note 2.33)	6,300,000	6,300,000
	<u>22,255,474</u>	<u>43,199,351</u>
2.15 Short-term loans and advances		
Other loans and advances		
Deposits placed with/ for exchange	200,000	200,000
Deposits- others	800,000	800,000
Prepaid expenses	444,080	441,171
Loans and advances to employees	30,247	30,247
Vendor advances	1,136,906	581,860
Cenvat and VAT assets	14,074,123	1,371,551
Advance tax and tax deducted at source	-	1,454,524
MAT credit entitlement	36,294,276	-
Advances recoverable in cash or in kind or for value to be received	9,004,189	2,171,000
	<u>61,983,821</u>	<u>7,050,353</u>
2.16 Other current assets		
Accrued interest on fixed deposits	74,903	53,422
Accrued interest on margin	3,248,462	138,839
Currency options premium paid	69,795	18,685,000
Equity index/stock options premium account	-	88,225,434
Margin placed with broker	1,329,645,500	1,072,937,610
	<u>1,333,038,660</u>	<u>1,180,040,305</u>

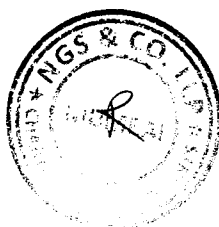


Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.17 Fee and commission income		
Income from broking	74,464	371,655
Advisory and other fees	9,407,013	97,260,011
	<u>9,481,477</u>	<u>97,631,666</u>
2.18 Income from treasury operations and investments		
Profit/(loss) on trading of securities (net)	195,575,835	(98,470,075)
Profit on trading in equity derivative instruments (net)	362,710,985	901,174,010
Profit on trading in currency derivative instruments (net)	212,240,616	227,573,599
Profit on trading in interest rate derivative (net)	88,152,233	97,781,515
Profit on sale of long term investment	79,032,235	-
Income from investment in fund	111,940,228	-
Dividend on stock-in-trade	277,528,301	13,716,769
	<u>1,327,180,433</u>	<u>1,141,775,818</u>
2.19 Interest income		
On fixed deposits	461,010	441,579
On debt instrument	-	10,963,791
On margin with brokers	67,721,317	5,640,784
On others	-	14,020
	<u>68,182,327</u>	<u>17,060,174</u>
2.20 Other income		
Excess provision written back	-	188,368
Miscellaneous income	-	41,809
Interest income - others	-	3,346
	<u>-</u>	<u>233,523</u>

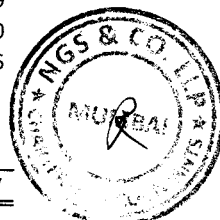


Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.21 Employee benefit expenses		
Salaries and wages (refer note 2.34)	246,623,456	109,784,265
Contribution to provident and other funds (refer note 2.32 and note 2.34)	6,882,734	2,331,413
Staff welfare expenses (refer note 2.34)	4,972,278	1,107,926
	<u>258,478,468</u>	<u>113,223,604</u>
2.22 Finance costs		
Interest on term loan	23,287,671	-
Interest on loan from holding company	-	558,301
Interest on loan from fellow subsidiaries	361,895,789	220,922,000
Interest - others	19,210,581	25,191,049
Interest on shortfall in payment of advance income tax	5,913,473	-
Financial and bank charges	2,059	143
Interest on loan - others	-	15,045,494
	<u>410,309,573</u>	<u>261,716,987</u>
2.23 Other expenses		
Advertisement and business promotion	103,066	-
Auditors' remuneration (refer note 2.26)	741,900	863,700
Bad- debts written off	505,744	14
Commission and brokerage	12,781,149	7,962,112
Communication expenses	2,880,384	2,087,312
Computer expenses (refer note 2.34)	3,907,701	4,188,185
Computer software	400,930	282,200
Clearing and custodian charges	228,450	264,300
Dematerialisation charges	1,000	-
Directors' sitting fees	160,000	200,000
Donation (refer note 2.37)	500,000	50,000
Electricity charges (refer note 2.34)	2,536,939	749,510
Insurance	6,548	25,962
Legal and professional fees (refer note 2.34)	33,944,803	3,202,641
Loss on sale/ write-off of fixed assets (net)	8,799	1,410
Membership and subscription	1,387,009	564,948
Office expenses (refer note 2.34)	15,859	8,550
Printing and stationery (refer note 2.34)	82,610	62,713
Provision for doubtful debts	308,478	45,608
Rates and taxes	24,068	26,927
Rent (refer note 2.34)	15,340,757	6,658,820
Repairs and maintenance - others (refer note 2.34)	5,290,338	202,551
ROC expenses	1,700	17,400
Security transaction tax	38,211,978	93,032,639
Seminar and Conference expenses	85,650	-
Service tax expenses	3,805,880	9,477,535
Stamp duty	79,476	261,195
Stock exchange expenses	6,016,968	6,306,939
Transportation charges	-	3,800
Travelling and conveyance (refer note 2.34)	4,204,936	1,546,196
Miscellaneous expenses	1,195	-
Housekeeping and security charges (refer note 2.34)	1,322,251	-
	<u>134,886,566</u>	<u>138,093,167</u>



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.24 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	Income from treasury operations, income from investments and dividend income
Agency business	Broking and advisory services

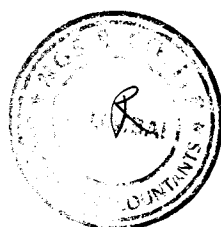
Income for each segment has been specifically identified expenditures, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenues, 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.

The following table gives information on segment assets and liabilities as at 31 March 2018 and the segment revenues, expenses and result for the nine months ended on that date:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
I Segment revenue		
a) Capital based business	1,395,362,760	1,202,917,898
b) Agency business	9,481,477	97,820,034
c) Unallocated	-	45,155
Total	1,404,844,237	1,300,783,087
Less : Inter segment revenue	-	-
Total Income	1,404,844,237	1,300,783,087
II Segment results		
a) Capital based business	538,034,640	678,959,190
b) Agency business	(9,110,349)	77,206,623
c) Unallocated	(6,028,448)	(13,042,497)
Total	522,895,843	743,123,317
Profit before taxation	522,895,843	743,123,317
Less : Provision for taxation	(58,522,282)	172,128,663
Profit after taxation	581,418,125	570,994,654



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

(Currency: Indian Rupees)

2.24 Segment reporting (continued)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
III Segment assets		
a) Capital based business	5,567,583,445	5,243,726,164
b) Agency business	5,989,946	11,579,633
c) Unallocated	137,482,822	77,804,843
Total	5,711,056,213	5,333,110,640
IV Segment liabilities		
a) Capital based business	2,066,722,387	2,005,275,667
b) Agency business	1,218,151	12,471,245
c) Unallocated	82,880,396	186,274,856
Total	2,150,820,934	2,204,021,768
V Capital expenditure (Including capital work-in-progress)		
a) Capital based business	365,519,448	6,421,473
b) Agency business	144,031	542,006
Total	365,663,479	6,963,479
VI Depreciation and amortisation		
a) Capital based business	78,183,046	1,084,693
b) Agency business	90,741	91,554
Total	78,273,787	1,176,247
VII Significant non-cash expenses other than depreciation and amortisation		
a) Capital based business	3,606,712	1,866,303
b) Agency business	858,115	157,526
Total	4,464,827	2,023,829



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.25 Related Parties

In accordance with Accounting Standard 18 on Related party transactions notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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 Commodities Services Limited ECL Finance Limited Edelweiss Securities Limited Edelweiss Business Services Limited (Formerly known as Edelweiss Web 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 EFSL Trading Limited Edelweiss Finvest Private Limited EC Commodity Limited Edelweiss Asset Reconstruction Company Limited Eternity Business Centre Limited (merged with ECap Equities Limited wef April 2017) Edelweiss Custodial Services Limited Edelweiss Finance & Investments Limited EC Global Limited
Key Management Personnel (with whom transactions have taken place)	Tarang Mehta (upto 22 January 2018) Naresh Biyani (upto 22 February 2017) Piyush Chamria (from 22 January 2018)

ii. Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2018	For the year ended 31 March 2017
	Capital account transactions during the year			
1	Preference share capital issued to	Edelweiss Broking Limited	50,000	-
2	Investment in equity shares of	Edelweiss Retail Finance Limited Edelweiss Asset Reconstruction Company Limited	500,000,000 -	- 221,855,256



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.25 Related Parties (continued)

ii. Transactions with related parties (continued)

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2018	For the year ended 31 March 2017
3	Short term loans taken from (refer note (1) and (2) below)	Edelweiss Finvest Private Limited Edelweiss Commodities Services Limited Edelweiss Finance & Investments Limited	924,180,000 11,618,421,385 -	529,788,000 13,197,924,870 450,000,000
4	Short term loans repaid to (refer note (1) and (2) below)	Edelweiss Finvest Private Limited Edelweiss Commodities Services Limited Edelweiss Finance & Investments Limited	930,768,000 11,191,784,242 -	740,000,000 12,336,793,205 450,000,000
5	Long term loans repaid to (refer note (1) and (2) below)	ECap Equities Limited	-	500,000
6	Short term loans repaid to (refer note (1) and (2) below)	Edelweiss Financial Services Limited	-	23,620,286
7	Nomination deposits given to	Edelweiss Retail Finance Limited	-	300,000
8	Nomination deposits received from	Edelweiss Retail Finance Limited	-	300,000
9	Nomination deposits received given back to	Edelweiss Retail Finance Limited	-	300,000
10	Margins placed with broker (refer note (1) below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	2,895,616,976 6,218,199,295	1,822,138,456 2,524,476,012
11	Margins withdrawn from broker (refer note (1) below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	2,333,198,810 5,940,645,385	2,666,875,673 1,472,384,423
Current account transactions during the year				
12	Brokerage earned from	Edelweiss Securities Limited	74,464	371,655
13	Purchase of debt securities from	ECL Finance Limited Edelweiss Commodities Services Limited	- -	7,526,479,836 1,502,534,795
14	Sale of debt securities to	Ecap Equities Limited ECL Finance Limited Edelweiss Finance & Investments Limited Edelweiss Tokio Life Insurance Company Limited	- - - -	525,027,397 4,276,331,235 251,050,000 50,138,862
15	Income distribution from	EW Clover Scheme	100,000,000	-



Edelcap Securities Limited

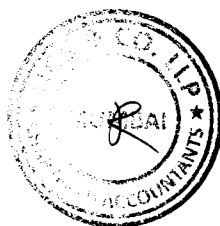
Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.25 Related Parties (continued)

ii. Transactions with related parties (continued)

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2018	For the year ended 31 March 2017
16	Reimbursements received from	Edelweiss Financial Services Limited	7,760,236	698,787
17	Interest income on margin placed with	Edelweiss Securities Limited	930,049	5,167,194
		Edelweiss Custodial Services Limited	66,791,268	473,590
18	Interest expense on loan from	Edelweiss Financial Services Limited	-	558,301
		Edelweiss Finvest Private Limited	91,183,071	48,364,959
		Edelweiss Finance & Investments Limited	-	856,849
		ECap Equities Limited	-	14,590
		Edelweiss Commodities Services Limited	270,712,718	167,904,779
19	Cost reimbursements recovered from	EFSL Trading Limited	638,960	-
		Edelweiss Securities Limited	355,000	-
		ECap Equities Limited	1,339,000	-
		Edelweiss Asset Management Limited	44,000	-
		Edelweiss Capital Markets Limited	290,000	-
20	Cost reimbursements paid to	Edelweiss Commodities Services Limited	6,207,043	4,033,933
		Edelweiss Financial Services Limited	584,941	1,138,921
		Edelweiss Business Services Limited	632,000	84,616
		Edelweiss Broking Limited	7,206,917	2,778,716
		Eternity Business Centre Limited	-	611,997
		Ecap Equities Limited	1,488,197	-
		ECL Finance Limited	33,604	-
		Edelweiss Alternative Asset Advisors Limited	234,200	-
		EFSL Trading Limited	3,290,029	-
		Edelweiss Securities Limited	1,307,955	-
		Edelweiss Asset Management Limited	602,000	-
		Edel Commodities Limited	3,000	-
		Edelweiss Capital Markets Limited	938,000	-
		Edelweiss Comtrade Limited	31,000	-
21	Reimbursements paid to	Edelweiss Financial Services Limited	-	10,545,686
		Edelweiss Commodities Services Limited	7,760,236	5,186,104
		Edelweiss Business Services Limited	3,763,776	32,022,265
22	Clearing charges paid to	Edelweiss Securities Limited	-	235,550
		Edelweiss Custodial Services Limited	228,450	28,750



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.25 Related Parties (continued)

ii. Transactions with related parties (continued)

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2018	For the year ended 31 March 2017
23	Brokerage paid to	Edelweiss Securities Limited	17,104,411	48,984,148
24	Warehousing charges paid to	Edelweiss Broking Limited	-	45,500
25	Processing fees paid to	Edelweiss Business Services Limited	-	16,590
26	Professional fees paid to	Edelweiss Business Services Limited	23,531,006	-
27	Fixed assets purchased from	Edelweiss Securities Limited	1,156,546	-
		ECL Finance Limited	1,045,631	-
		Ecap Equities Limited	565,598	-
28	Remuneration paid to (refer note (3) below)	Key Management Personnel	8,367,225	5,446,210
	Balances with Related Parties			
29	Short term loans taken from	Edelweiss Finvest Private Limited	-	6,588,000
		Edelweiss Commodities Services Limited	1,473,305,719	1,047,189,000
30	Interest payable on loans taken from	Edelweiss Commodities Services Limited	33,432,828	28,767,897
31	Nomination deposits payable to	Edelweiss Retail Finance Limited	100,000	100,000
32	Trade payables to	Edelweiss Securities Limited	-	463,662,038
		Edelweiss Business Services Limited	12,508,657	114,869
		Ecap Equities Limited	739,188	-
		Edelweiss Broking Limited	2,047,101	-
		Edelweiss Commodities Services Limited	1,622,357	-
		Edelweiss Alternative Asset Advisors Limited	276,356	-
		EFSL Trading Limited	353,367	-
33	Other payable to	Edelweiss Broking Limited	161,000	13,000
		Edelweiss Business Services Limited	632,000	-
		Edelweiss Asset Management Limited	558,000	-
		Edel Commodities Limited	3,000	-
		Edelweiss Capital Markets Limited	648,000	-
		Edelweiss Comtrade Limited	31,000	-



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.25 Related Parties (continued)

ii. Transactions with related parties (continued)

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2018	For the year ended 31 March 2017
34	Investments in equity shares of	Edelweiss Retail Finance Limited	2,384,389,975	1,884,389,975
		Edelweiss Asset Reconstruction Company Limited	221,855,256	221,855,256
35	Investments in unit capital of	EW Clover Scheme	250,000,000	250,000,000
36	Trade receivables from	Edelweiss Securities Limited	119,499,984	-
		EC Global Limited	-	50,000
37	Other receivables from	Edelweiss Securities Limited	349,000	1,006,000
		Edelweiss Finance & Investments Limited	-	125,000
		ECL Finance Limited	-	396,000
		EC Commodity Limited	-	483,000
		ECap Equities Limited	1,339,000	161,000
		EFSL Trading Limited	11,000	-
38	Nomination deposits receivable from	Edelweiss Retail Finance Limited	600,000	600,000
39	Interest receivable on margins placed with	Edelweiss Securities Limited	161,824	16,637
		Edelweiss Custodial Services Limited	3,086,638	122,202
40	Margins placed with broker	Edelweiss Securities Limited	-	20,846,020
		Edelweiss Custodial Services Limited	1,329,645,500	1,052,091,589

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 period.

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.



Edelcap Securities Limited

Notes to the financial statements (continued)

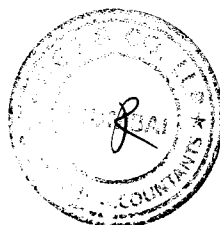
(Currency: Indian Rupees)

2.26 Auditors' remuneration

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
As Auditors	721,900	843,700
Out of pocket expenses	-	20,000
Others	20,000	-
Total	741,900	863,700

2.27 Details of purchase, sale and change in stock-in-trade:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Commodities		
Opening stock		
Bullion	-	43,449,765
Subtotal	-	43,449,765
Purchase		
Bullion	-	-
Subtotal	-	-
Sale		
Bullion	-	44,081,906
Subtotal	-	44,081,906
Closing stock		
Bullion	-	-
Subtotal	-	-
Profit on trading of commodities	-	632,141



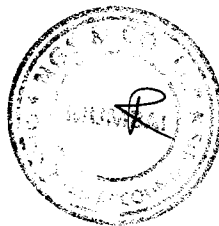
Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.27 Details of purchase, sale and change in stock-in-trade (continued)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
b) Securities		
Opening stock		
Equity shares	761,399,352	67,627,961
Preference shares	8,326	-
Mutual funds	617,868,721	-
Debentures and bonds	-	-
Subtotal	1,379,276,399	67,627,961
Purchase		
Equity shares	20,974,472,790	6,712,501,267
Preference shares	-	8,326
Mutual funds	10,290,000,000	6,645,139,042
Debentures and bonds	24,035,233	12,679,927,300
Others	137,800	6,948,031
Subtotal	31,288,645,823	26,044,523,966
Sales / Redemption		
Equity shares	21,444,399,639	6,135,084,379
Preference shares	1,828	-
Mutual funds	10,677,780,522	6,073,482,224
Debentures and bonds	24,066,200	12,425,838,850
Subtotal	32,146,248,189	24,634,405,453
Closing stock		
Equity shares	617,243,370	761,399,352
Preference shares	6,498	8,326
Mutual funds	100,000,000	617,868,721
Debentures and bonds	-	-
Subtotal	717,249,868	1,379,276,399
Profit/(loss) on trading of securities	195,575,835	(98,470,075)



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.28 Earnings per share

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

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Profit / (loss) after tax (as per statement of profit and loss)	581,418,125	570,994,654
	Less: dividend on preference share capital	-	-
	Net profit / (loss) for the year attributable to equity shareholders	581,418,125	570,994,654
(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)	1,938.06	1,903.32

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



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.29 The following derivative contracts have open interests as at the balance sheet date:

a) Open interests in currency futures as at 31 March 2018:

		Long Position		Short Position	
Currency Pair	Maturity grouping	Number of contracts	Number of units	Number of contracts	Number of units
USD INR	< 1 month	-	-	1,859	1859,000

Open interests in currency futures as at 31 March 2017:

		Long Position		Short Position	
Currency Pair	Maturity grouping	Number of contracts	Number of units	Number of contracts	Number of units
USD INR	< 1 month	-	-	102,365	102,365,000

b) Open interests in interest rate futures as at 31 March 2018:

		Long Position		Short Position	
Maturity grouping		Number of contracts	Number of units	Number of contracts	Number of units
< 1 month		-	-	1,000	2,000,000

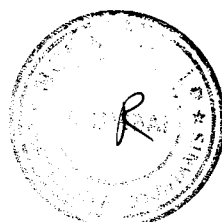
Open interests in interest rate futures as at 31 March 2017:

		Long Position		Short Position	
Maturity grouping		Number of contracts	Number of units	Number of contracts	Number of units
< 1 month		-	-	9,053	18,106,000

c) Open interests in equity index futures as at 31 March 2018: Nil

Open interests in equity index futures as at 31 March 2017:

		Long Position		Short Position	
Index Name	Maturity grouping	Number of contracts	Number of units	Number of contracts	Number of units
Bank Nifty	< 1 month	-	-	359	14,360
Nifty	< 1 month	453	33,975	-	-
Nifty	1-2 months	379	28,425	-	-
Nifty	2-3 months	714	53,550	-	-



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.29 The following derivative contracts have open interests as on the balance sheet date:

d) Open interests in equity stock futures as at 31 March 2018:

	Long Position		Short Position	
Maturity grouping	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	6	210,000	1	1,061

Open interests in equity stock futures as at 31 March 2017:

	Long Position		Short Position	
Maturity grouping	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	2,053	6,982,349	1,323	4,243,450

e) Option contracts outstanding as at 31 March 2018:

Option type	Premium Paid (Net of provision made)	Premium Received (Net of provision made)
Equity Index	75	(454,863,404)
Equity Stock	-	-
Currency	69,720	(4,778,113)

Option contracts outstanding as at 31 March 2017:

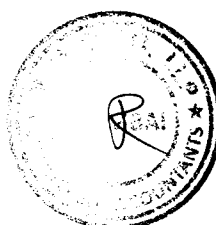
Option type	Premium Paid (Net of provision made)	Premium Received (Net of provision made)
Equity Index	82,283,714	(324,581,375)
Equity Stock	5,941,720	(10,493,895)
Currency	18,685,000	(65,908,955)

2.30 Earning and expenditure in Foreign currency:

Earning in foreign exchange Rs. Nil (Previous year: Rs. Nil)

Expenditure in foreign exchange

Sr. No.	Particulars	For the year ended 31 March 18	For the year ended 31 March 17
1	Market data service	3,335	Nil
2	Computer software expenses	Nil	50,000



Edelcap Securities Limited

Notes to the financial statements *(continued)*

(Currency: Indian Rupees)

2.31 Capital commitments and contingent liabilities

Capital Commitments

The Company has capital commitments amounting to Rs. 83,577 as at the balance sheet date (Previous year: Rs. 728,000).

Contingent Liabilities

The Company has pending taxation matters of Rs. 38,475,816/- as at balance sheet date (Previous year: Rs. 38,475,816).

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.32 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits

A) Defined contribution plan (provident fund)

Amount of Rs. 6,879,710 (Previous year: Rs. 2,330,261) is recognised as expenses and included in "employee benefit" – refer note 2.21 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.

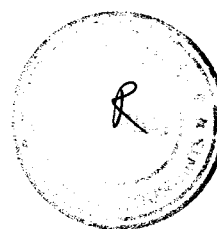
Statement of profit and loss

Net employee benefit expenses (recognised in employee cost):

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	1,717,000	926,000
Interest on defined benefit obligation	404,000	303,000
Expected return on plan assets	-	-
Net actuarial loss/(gain) recognised in the year	-	-
Past service cost	-	-
Actuarial (gain)/loss	785,000	139,000
Expense recognized in statement of profit and loss	2,906,000	1,368,000

Details of provision for gratuity

	For the year ended 31 March 2018	For the year ended 31 March 2017
Liability at the end of the year	7,108,000	4,905,000
Fair value of plan assets at the end of the year	-	-
Difference	-	-
Unrecognised past service cost	-	-
Unrecognised transition liability	-	-
Amount in balance sheet	(7,108,000)	(4,905,000)



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.32 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits (continued)

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

	For the year ended 31 March 2018	For the year ended 31 March 2017
Liability at the beginning of the year	4,905,000	2,139,208
Interest cost	404,000	303,000
Current service cost	1,717,000	926,000
Transfer in/(out)	1,039,000	1,958,000
Past service cost (non vested benefit)	-	-
Past service cost (vested benefit)	-	-
Benefits paid	(1,742,000)	(560,000)
Actuarial (gain)/loss	785,000	138,792
Liability at the end of the year	7,108,000	4,905,000

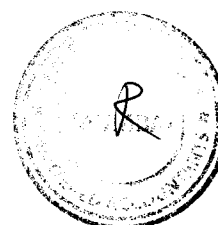
Non-current liability at the end of the year 6,366,000/-
Current liability at the end of the year 742,000/-

Amount recognised in the balance sheet:

	31 March 2018	31 March 2017	For the year ended		
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
Liability at the end of the year	7,108,000	4,905,000	2,139,208	1,089,209	496,209
Fair value of plan assets at the end of year	-	-	-	-	-
Amount recognized in balance sheet	7,108,000	4,905,000	2,139,208	1,089,209	496,209

Experience adjustment:

	31 March 2018	31 March 2017	For the year ended		
	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014
On plan liabilities (gain)/loss	1,001,000	(16,000)	547,000	410,000	77,000
On plan assets (gain)/loss	-	-	-	-	-
Estimated contribution for next year	-	-	-	-	-



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.32 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits (continued)

Principal actuarial assumptions at the balance sheet date:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.30%	6.80%
Salary escalation	7.00%	7.00%
Employee attrition rate range	13.00%-25.00%	13.00%-25.00%

2.33 Additional disclosure on fixed deposits

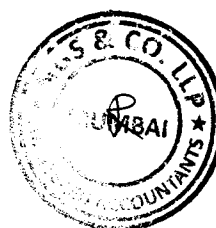
The Company has pledged fixed deposits aggregating to Rs. 6,300,000 (Previous year: Rs. 6,300,000) with National Stock Exchange for meeting margin requirements.

2.34 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 notes 2.21 and 2.23 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

2.35 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)

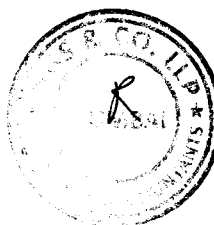
2.36 On account of demerger

Pursuant to the Scheme of Arrangement ("the Scheme") under Section 230 to 232 of the Companies Act, 2013, sanctioned by the National Company Law Tribunal, Mumbai bench vide its order dated 10 August 2017 and the National Company Law Tribunal, Hyderabad bench vide its order dated 01 December 2017 the capital based business of Edelweiss Business Services Limited {formerly known as Edelweiss Web Services Limited} ("the Demerged Company") has been demerged to Edelcap Securities Limited ("the Resulting Company") with effect from 1 April 2016 ("the Appointed Date"). The scheme has come into effect from 15 December 2017 ('the Effective Date'). Accordingly, the financial statements of the Company for the year ended 31 March 2018 had been prepared taking into account the effect of the said Order.

As per the Scheme, the resulting company was required to record in its books all assets and liabilities related to capital based business of the Demerged Company as on the Appointed Date at their respective book values. Further, the Resulting Company shall account for Preference shares issued to the shareholders of the demerged company. The demerger had resulted in the transfer of the following assets and liabilities of capital based business as at the Appointed Date:

Particulars	Amount (Rs.) as at 31 March 2016
Inventories	309,188
Cash and bank balances	3,776,074
Long-term loans and advances	325,000
Short-term loans and advances	1,200,000
Other current assets	57,721,498
Total Assets (A)	63,331,760
Long-term borrowings	10,000,000
Long-term provisions	2,618,920
Short-term borrowings	362,514,273
Trade payables	17,679,504
Other current liabilities	23,117,661
Short-term provisions	1,035,840
Total Liabilities (B)	416,966,198
Net Assets / (Liabilities) taken over (A-B) = C	(353,634,438)
Preference Shares issued to existing shareholders of demerged company (D)	50,000
Net Goodwill on demerger (C-D)	353,684,438

The net deficit of the value of Net Assets has been recorded as Goodwill in the books of accounts of the Company.



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.37 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. 4,235,593/-
- 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. 500,000	Nil	Rs. 500,000

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. 177,841,968 (Previous year: Rs. 115,684,300) (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended 31 March 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended 31 March 2018.

2.38 Disclosure on specified bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013:

As at 31 March 2018: Not Applicable

As at 31 March 2017:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.39 Previous year comparatives

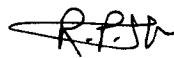
Previous year figures have been regrouped and rearranged wherever necessary to conform to current year presentation

As per our report even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W


R. P. Soni
Partner

Membership No.: 104796

Mumbai

02 May 2018



For and on behalf of the Board of Directors



Avash Patel

Director

DIN: 08054035



Ashish Gupta

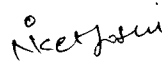
Director

DIN: 07775554



Ritesh S Jain

Chief Financial
Officer



Niket Joshi

Company Secretary



Piyush Chamria

Manager

Mumbai

02 May 2018