

**Independent Auditors' Report****To the Members of ECap Equities Limited  
Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying Standalone Ind AS Financial Statements of ECap Equities Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw your attention to Note 2 to the statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans which are highly dependent on future developments.

Our opinion is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone Ind AS Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Ind AS Financial Statements.



Key audit matters	How our audit addressed the key audit matter
<p><b>Expected Credit Loss (ECL) Model</b>            Loans are measured at amortised cost less impairment charges.</p> <p>Loan impairment charges represent Management's best estimate of expected losses on loans at the balance sheet date. The expected credit loss method is subjective and based on various indicators of past default rates, forward looking macro-economic factors, future recoveries to the loss given parameter, credit risk ratings and statistical models.</p> <p>The impairment provision policy is presented in note 4.6 under significant accounting policies in the Ind AS financial statement.</p>	<p>Our audit procedure included an assessment of the impairment model applied by the Company. We assessed and tested the Company's calculation of impairment charges including assessment of Management's determination and adaptation of ECL model variables.</p> <p>The Company assessed and tested the principles applied for the determination of impairment scenarios and for the measurement of collateral values of assets.</p> <p>We performed test of details, on a sample basis and inspected the repayment and collections made on the due dates which forms the basis of staging of financial assets.</p> <p>Performed analytical procedures by determining various ratios or percentage based measures to review overall reasonableness of the estimate determined by the management.</p> <p>We reviewed the relevant disclosures made in the Standalone Ind AS Financial Statements in accordance with the requirements of the Ind AS 109 and Ind AS 107</p>

#### Other Information

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

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

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

#### Management's Responsibilities for the Standalone Ind AS Financial Statements

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





maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

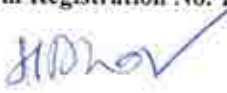
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Standalone Ind AS Financial Statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion and according to the information and explanation given to us, no remuneration has been paid by the Company to its directors during the current year.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending tax litigations on its financial position in financial statement-as per Note No. 47 of the Financial Statement
    - 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 GMJ & Co.  
Chartered Accountants  
Firm Registration No. 103429W

  
Haridas Bhat  
Partner  
Membership No.:39070



UDIN:20039070AAAAFC2639

Place: Mumbai  
Date: July 03, 2020



**Annexure A to the Auditors' Report**

**The Annexure referred to in our Independent Auditors' Report to the members of ECap Equities Limited ('the Company') on the financial statements for the year ended March 31, 2020, 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 and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities and vault receipts in respect of commodities 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, 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, sales tax, value added tax, 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, services 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 service tax, goods and service 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	40,224	A.Y. 2009-10	CIT (A)
Income Tax Act, 1961	Income Tax	2,205,212	A.Y. 2016-17	CIT (A)
Income Tax Act, 1961	Income Tax	1,49,55,550	A.Y. 2017-18	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 its bank, financial institution and debenture holders. Further, the Company does not have any loans or borrowings from government.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loan and debt instruments for the purposes for which it was raised.
- (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, during the year, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (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 GMJ & Co.  
Chartered Accountants  
Firm Registration No. 103429W

*Haridas Bhat*  
Haridas Bhat  
Partner  
Membership No.:39070



UDIN:20039070AAAAFC2639

Place: Mumbai  
Date: July 03, 2020



## **Annexure B to the Auditors' Report**

**Annexure B the Independent Auditor's report of even date on the financial statements of ECap Equities Limited ("the Company")**

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

We have audited the internal financial controls over financial reporting of **ECap Equities Limited ("the Company")** as of March 31, 2020 in conjunction with our audit of financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

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





and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 GMJ & Co.  
Chartered Accountants  
Firm Registration No. 103429W

  
Haridas Bhat  
Partner  
Membership No.:39070



UDIN:20039070AAAAFC2639

Place: Mumbai  
Date: July 03, 2020

# ECap Equities Limited

## Balance Sheet

(Currency : Indian rupees in millions)

	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	8	30.15	44.28
Investment property	9	843.39	887.77
Goodwill	10	60.94	60.94
Other intangible assets	11	23.24	2.22
Intangible assets under development		-	30.36
<b>Financial assets</b>			
(i) Investments	12	14,578.95	10,443.82
(ii) Loans	13	859.45	10,910.99
(iii) Other financial assets	14	102.94	2.91
Non-current tax assets (net)	15	196.39	217.49
Deferred tax assets (net)	16	824.81	206.20
Other non-current assets	17	2.68	-
		<b>17,522.94</b>	<b>22,806.98</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Stock in trade	18	5,842.42	3,064.17
(ii) Investment	19	0.52	0.49
(iii) Trade receivables	20	103.77	7,906.00
(iv) Cash and cash equivalents	21	470.52	385.18
(v) Bank balances other than cash and cash equivalents	22	-	201.79
(vi) Loans	23	10,847.50	23,016.52
(vii) Derivative financial instruments	24	2,440.08	672.34
(viii) Other financial assets	25	27.85	2,551.56
Other current assets	26	128.12	67.54
		<b>19,860.78</b>	<b>37,865.59</b>
		<b>37,383.72</b>	<b>60,672.57</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
Equity share capital	27	7.40	7.40
Other equity	28	1,138.71	2,839.22
		<b>1,146.11</b>	<b>2,846.62</b>
<b>Non current liability</b>			
<b>Financial liabilities</b>			
(i) Borrowings	29 (a)	9,851.83	11,581.28
(ii) Other financial liabilities	30	242.41	74.78
Provision	31	10.81	9.38
<b>Current liability</b>			
<b>Financial liabilities</b>			
(i) Derivative financial instruments	24	2,614.96	767.34
(ii) Borrowings	29 (b)	23,028.51	36,083.78
(iii) Trade payables		-	-
(A) Total outstanding dues of Small Enterprises and Micro enterprises		-	-
(B) Total outstanding dues of creditors other than small enterprises and micro enterprises	32	163.52	7,865.84
(iv) Other financial liabilities	33	149.97	1,218.22
Other current liabilities	34	148.97	61.04
Provisions	35	1.89	1.58
Current tax liabilities (net)	36	24.74	162.71
		<b>37,383.72</b>	<b>60,672.57</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

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

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

For GMJ & Company

Chartered Accountants

Firm Registration No.: 103429W

CA Haridas Bhat

Partner

Membership No.: 39070

Mumbai

03 July 2020



For and on behalf of the Board of Directors

T.K. Ramaswamy

Director

DIN: 05158707

Ritesh S. Jain

Chief Financial Officer

Mumbai

03 July 2020

Umesh Wadhwa

Director

DIN: 05157099

Bhargavi Halapeti

Company Secretary

Alay Mehta

Chief Executive Officer







# ECap Equities Limited

## Statement of Profit and Loss

(Currency : Indian rupees in millions)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue from operations</b>			
Fee and commission income	37	187.56	177.04
Net gain on fair value changes	38	934.70	509.16
Dividend income	39	0.49	37.03
Interest income	40	4,785.11	5,388.51
Rental income	41	263.19	231.19
Sale of commodities		6,998.61	7,070.97
<b>Total revenue from operations</b>		<b>13,169.66</b>	<b>13,413.90</b>
<b>Other income</b>	42	<b>9.06</b>	<b>0.55</b>
<b>Total income</b>		<b>13,178.72</b>	<b>13,414.85</b>
<b>Expenses</b>			
Purchases of commodities		6,997.55	7,070.09
Employee benefits expense	43	273.84	72.05
Finance costs	44	4,837.97	3,811.18
Depreciation, amortisation and impairment		73.29	79.15
Impairment on financial instruments	45	1,686.29	932.68
Other expenses	46	436.06	569.32
<b>Total expenses</b>		<b>14,305.00</b>	<b>12,534.47</b>
<b>(Loss) / Profit before tax</b>		<b>-1,126.28</b>	<b>880.38</b>
<b>Tax expenses:</b>			
Current tax (Includes excess provision for earlier years of Rs. 4.38 millions (Previous year short provision of Rs. 10.77 millions))		108.17	396.30
Deferred tax		-618.73	-223.50
<b>(Loss) / Profit for the year</b>		<b>-615.72</b>	<b>707.58</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain on defined benefit plans (OCI)		0.29	0.87
Fair value gain / loss - OCI - equity		-847.50	-
Tax effect on remeasurement gain on defined benefit plans (OCI)		0.10	0.30
<b>Other Comprehensive Income</b>		<b>-847.89</b>	<b>0.57</b>
<b>Total comprehensive income</b>		<b>-1,463.61</b>	<b>708.15</b>
<b>Earnings per equity share: (Face value of Rs 10 each):</b>			
Basic		-832.05	956.20
Diluted	49	-832.05	956.20

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

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

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W

CA Haridas Bhat

Partner

Membership No.: 39070

Mumbai

03 July 2020



For and on behalf of the Board of Directors

T.K. Ramaswamy

Director

DIN: 05158707

Umesh Wadhwa

Director

DIN: 05157099

Alay Mehta

Chief Executive Officer

Ritesh S. Jain

Chief Financial Officer

Mumbai

03 July 2020

Bhargavi Halapeti

Company Secretary







**ECap Equities Limited**  
Statement of Changes in Equity

(Currency: Indian rupees in millions)

**(A) Equity share capital**

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	7.40	7.40
Changes in equity share capital (refer note 27)	-	-
Balance at the end of the year	7.40	7.40

**(B) Other Equity**

Particulars	Capital Redemption Reserve	Capital Reserve	Securities Premium	ESOP reserve	Debt redemption reserve	Retained earnings	Total
Balance at 1 April 2019	31.00	-105.39	1,788.93	20.92	1,051.41	56.58	2,839.22
Loss for the year	-	-	-	-	-	-615.72	-615.72
Other comprehensive income	-	-	-	-	-	847.89	847.89
<b>Total comprehensive income for the year</b>	-	-	-	-	-	-1,463.61	-1,463.61
Transactions with shareholders in their capacity as such:	-	-	-	-	-	118.98	118.98
Issue of debentures	-	-	87.76	-	-	-	87.76
Transfers to / from retained earnings	-	-	-183.00	-	-	-	-183.00
Transferred to Debt Redemption Liability	-	-	-260.64	-	-	-	-260.64
<b>Balance at 31 March 2020</b>	<b>31.00</b>	<b>-105.39</b>	<b>1,429.04</b>	<b>20.92</b>	<b>1,051.41</b>	<b>-1,288.07</b>	<b>1,188.71</b>

**1 Capital redemption reserve:**

As per Companies Act, 2013, capital redemption reserve is created when Company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

**2 Capital reserve:**

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own instruments to capital reserve.

**3 Securities premium:**

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

**4 ESOP reserve:**

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

**5 Debt redemption reserve:**

The Companies Act 2013 requires companies that issue debentures to create a debt redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debt redemption reserve. The amounts credited to the debt redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debt redemption reserve to retained earnings.

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

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W

CA Harish Bhat  
Partner  
Membership No.: 19070  
Mumbai  
08 July 2020



For and on behalf of the Board of Directors

T.K. Ramaswamy  
Director  
DIN: 05158767

Umesh Wadhwa  
Director  
DIN: 05157099

Alay Mehta  
Chief Executive Officer

Ritesh S. Jain  
Chief Financial Officer  
Mumbai  
08 July 2020

Bhargavi Halapeti  
Company Secretary







# ECap Equities Limited

## Cash flow statement

(Currency : Indian rupees in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A. Cash flow from operating activities</b>		
(Loss) / Profit before taxation	-1,126.28	880.38
<b>Adjustments for</b>		
Depreciation, amortisation and impairment expenses	73.29	79.15
Impairment on financial instruments	124.92	932.67
Provision for gratuity and compensated absences	-7.04	2.29
Profit on sale of fixed assets	-0.35	-0.55
Expense on employee stock option scheme	-	10.15
Dividend income on investment	-0.49	-37.03
Loss/(profit) on sale of investment	-1,183.95	-
Share of (profit)/loss from partnership firm	1.15	0.03
Fair value of financial instruments	-560.07	224.46
Interest income	-3,743.36	-3,323.51
Interest expense	4,423.95	3,570.50
<b>Operating cash flow before working capital changes</b>	<b>-1,998.23</b>	<b>2,338.54</b>
<b>Add / (Less): Adjustments for working capital changes</b>		
Decrease in non financial liability	86.83	-4.94
Increase in other financial liability	-900.62	754.75
(Decrease)/increase in trade payable	-7,702.32	7,776.02
Increase / (decrease) in Provisions	8.48	1.55
Decrease/(increase) in Derivative financial instruments	1,145.82	7,552.53
Decrease/(increase) in stock in trade	-3,188.62	4,562.50
Increase in trade receivable	7,772.45	-6,812.32
Increase in other financial assets	2,423.40	-1,994.42
Increase/(decrease) in other non financial assets	-63.24	-32.94
<b>Cash (used in) / generated from operations</b>	<b>-2,416.05</b>	<b>14,141.27</b>
Income tax paid	-225.02	-272.09
<b>Net cash (used in) / generated from operating activities - A</b>	<b>-2,641.07</b>	<b>13,869.18</b>
<b>B. Cash flow from investing activities</b>		
(Purchase) / Sale of investments	-2,602.26	-1,236.06
Dividend received	0.78	36.99
Purchase of fixed assets	-5.09	-37.14
Loan given (refer note 2)	21,354.47	-20,750.39
Interest received	4,229.73	1,717.20
<b>Net cash generated from / (used in) investing activities - B</b>	<b>22,977.63</b>	<b>-20,269.40</b>
<b>C. Cash flow from financing activities</b>		
Repayment of subordinated liabilities	1,000.00	-
Proceeds from debt borrowing (refer note 2)	-11,983.93	7,914.80
(Repayment of)/ proceeds from borrowings (other than debt securities) (refer note 2)	-7,396.31	-70.53
Proceeds from deposits (refer note 2)	1,172.65	943.30
Interest paid	-3,344.66	-2,439.26
Dividends paid	-	-24.25
Dividend distribution tax paid	-	-4.98
Decrease/(increase) in bank balances other than cash and cash equivalents	301.03	433.98
<b>Net cash (used in) / generated from financing activities - C</b>	<b>-20,251.22</b>	<b>6,753.06</b>
<b>D Net Assets on account of merger - D</b>	<b>-</b>	<b>-80.56</b>
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	<b>85.34</b>	<b>272.28</b>







# ECap Equities Limited

## Cash flow statement

(Currency : Indian rupees in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash and cash equivalents as at the beginning of the year	385.18	112.90
Cash and cash equivalent as at the end of the year	470.52	385.18

### Notes:

1 Cash and cash equivalents include the following:

Balances with banks: In current accounts

470.52 385.18

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

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

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W

CA Haridas Bhat

Partner

Membership No.: 39070

Mumbai

03 July 2020



For and on behalf of the Board of Directors

T.K. Ramaswamy

Director

DIN: 05158707

Umesh Wadhwa

Director

DIN: 05157099

Alay Mehta

Chief Executive Officer

Ritesh S. Jain

Chief Financial Officer

Mumbai

03 July 2020

Bhargavi Halapeti

Company Secretary







# ECap Equities Limited

## Notes to the financial statements

for the year ended 31 March 2020

### 1. Background

ECap Equities Limited ('the Company') was incorporated on 11 January 2008 as a public limited company and is a wholly owned subsidiary of Edelweiss Financial Services Limited. The Company was a sub-broker in the equity segment of BSE Limited affiliated to Edelweiss Securities Limited.

As per SEBI requirement, the registration of the Company was compulsorily converted from sub-broker to an Authorised Person (AP) in the equity segment w.e.f. 25 January 2019. The Company was also registered as an AP in the Futures & Options (Derivatives) segment and Currency Derivatives segment of BSE Limited and in the Equity segment, Derivatives segment and Currency Derivatives segment of National Stock Exchange ('NSE'). Further, the Company was an AP of Metropolitan Stock Exchange of India (MSEI) in Currency Derivatives segment and as an AP of Multi-Commodity Exchange of India Limited (MCX) in Commodities Segment. During the year ended 31 March 2020, the Company has surrendered / cancelled its registration as an AP from all the segments of BSE, NSE, MSEI and MCX (the exchanges) and have ceased to be an Authorised Person of the exchanges.

### 2. Basis of preparation of financial statements

The Company's financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The Company's financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVTOCI) instruments, derivative financial instruments, fair value through profit and loss account and other financial assets held for trading, which have been measured at fair value. The Company's financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest million, except when otherwise indicated.

The outbreak of COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian Government announced a 21 – days lockdown which was further extended till 31st May 2020 across the nation to contain the spread of the virus and still continues to be across many parts of the country in India. The pandemic and its consequent adverse effect on the economy also adversely impacted the financial markets.

In preparing these financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments as at March 31, 2020 based on estimate of the future results and various internal and external information available up to the date of approval of these financial statements. The estimates as at the date of approval of these financial results may differ based on the ongoing impact of the pandemic and the timing of the improvement in the economy and the financial markets.





# ECap Equities Limited

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

for the year ended 31 March 2020

### 3. Presentation of financial statements

The Company presents its balance sheet in compliance with the Division II of the Schedule III to the Companies Act, 2013.

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

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

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.







# ECap Equities Limited

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

for the year ended 31 March 2020

### 4. Significant accounting policies

#### 4.1 Revenue recognition

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

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

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

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

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

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

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

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

4.1.5 Profit / loss from share in partnership firm is accounted 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.

4.1.6 Commodities sales are accounted as per the terms of agreement with parties.

4.1.7 Rental income is recognised on accrual basis in accordance with the agreements entered.



# ECap Equities Limited

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

for the year ended 31 March 2020

### 4.2 Financial Instruments

#### 4.2.1 Date of recognition

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

#### 4.2.2 Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

#### 4.2.3 Day 1 profit or loss

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in statement of profit and loss when the inputs become observable, or when the instrument is derecognised.

### 4.3 Classification of financial instruments

#### 4.3.1 Financial assets:

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

- Amortised cost
- Fair value through other comprehensive income [FVTOCI]
- Fair value through profit or loss [FVTPL]

The Company measures debt financial assets that meet the following conditions at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Sale that occur for below reason are considered as consistent with business model whose objective is to hold financial assets in order to collect contractual cash flows

- if those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).





# ECap Equities Limited

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

for the year ended 31 March 2020

- If such sales are made close to maturity of financial asset and proceeds from sale approximate the collection of the remaining contractual cashflow.
- Selling a financial asset because of significant increase in credit risk.

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

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other than above classification of amortised cost and FVOCI, all other financial assets are initially measured at fair value and subsequently measured at FVTPL.

### 4.3.1.1 Amortized cost and Effective interest rate method (EIR)

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

### 4.3.1.2 Financial assets held for trading

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

### 4.3.1.3 Financial asset measured at FVOCI

Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to statement of profit and loss. Interest income on such instrument is recognised in statement of profit and loss as per EIR method.

### 4.3.1.4 Investment in equity instruments

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

### 4.3.2 Financial liabilities

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



# ECap Equities Limited

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

for the year ended 31 March 2020

### 4.3.2.1 Debt securities and other borrowed funds

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

The Company issues benchmark linked non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

### 4.3.2.2 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in statement of profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

### 4.3.2.3 Financial guarantee:

Financial guarantees are contracts that require the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.







# ECap Equities Limited

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

for the year ended 31 March 2020

### 4.3.2.4 Loan commitment

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer during the duration of commitment.

### 4.3.3 Financial liabilities and equity instruments

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

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

### 4.3.4 Derivatives

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

Company has designed a risk strategy based to cover exposure on issuance of Benchmark Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee and ensures that risk is fully or partially covered, hence supports to reduce the risk exposure.

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

#### Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, foreign exchange rate, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in statement of profit and loss, unless designated as effective hedging instruments.

### 4.4 Reclassification of financial assets and liabilities

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







# ECap Equities Limited

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

for the year ended 31 March 2020

### 4.5 Derecognition of financial assets and financial liabilities

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

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial asset are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

When assessing whether or not to derecognise a financial assets, amongst others, the Company considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

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

#### 4.5.2 Derecognition of financial assets other than due to substantial modification

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

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer qualifies for derecognition if either:





# ECap Equities Limited

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

for the year ended 31 March 2020

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

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

### 4.5.3 Derecognition of financial liabilities

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

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

### 4.6 Impairment of financial assets

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount







# ECap Equities Limited

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

for the year ended 31 March 2020

drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Company cannot separately identify the ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined ECL exceed the gross carrying amount of the financial asset, the ECL have been recognised as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognised as a provision.

### 4.7 Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

### 4.8 Collateral repossessed

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

### 4.9 Write off

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







# ECap Equities Limited

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

for the year ended 31 March 2020

### 4.10 Forborne and modified loan

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

### 4.11 Determination of fair value

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

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

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines





# ECap Equities Limited

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

for the year ended 31 March 2020

whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

### 4.12 Operating leases

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

### 4.13 Earnings per share

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

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

### 4.14 Foreign currency transactions

The financial statements are presented in Indian Rupees. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

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

### 4.15 Retirement and other employee benefit

#### 4.15.1 Provident fund and national pension scheme

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





# ECap Equities Limited

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

for the year ended 31 March 2020

### 4.15.2 Gratuity

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

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

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

### 4.15.3 Compensated Absences

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

### 4.15.4 Share-based payment arrangements

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

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

### 4.16 Property, plant and equipment

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

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation



## ECap Equities Limited

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

for the year ended 31 March 2020

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

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

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

Estimated useful lives of the assets are as follows:

Class of assets	Useful Life
Building (Other than factory building)	60 years
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

#### Change in accounting policy for land and buildings from 31st March 2020:

Land and buildings are subsequently shown at fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations will be carried out on a regular basis, unless the management consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

#### Subsequent measurement of land and building under revaluation model:

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. An exception is a gain on revaluation that reverses a revaluation decrease (impairment) on the same asset previously recognised as an expense. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.





# ECap Equities Limited

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

for the year ended 31 March 2020

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

### 4.17 Intangible assets

The Company's intangible assets mainly include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life.

### 4.18 Investment property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

### 4.19 Impairment of non-financial assets

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





# ECap Equities Limited

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

for the year ended 31 March 2020

### 4.20 Business Combination :

The acquisition method of accounting is used for business combinations by the Company. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values with certain limited exceptions. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

#### Business combination under common control:

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group. Company has accounted all such transactions based on pooling of interest method, which is as below:-

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve.

### 4.21 Cash and cash equivalents

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

### 4.22 Provisions and Contingent liabilities

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





# ECap Equities Limited

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

for the year ended 31 March 2020

that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

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

### 4.23 Income tax expenses

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

#### 4.23.1 Current tax

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

#### 4.23.2 Deferred tax

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

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

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

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

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







# ECap Equities Limited

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

for the year ended 31 March 2020

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

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

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

### 4.23.3 Minimum Alternative Tax (MAT) credit

MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes unused MAT credit as a deferred tax asset only to the extent that it is probable that the Company will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the statement of profit and loss. The Company reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Company will be able to utilise it during the specified period.

## 5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 5.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is







# ECap Equities Limited

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

for the year ended 31 March 2020

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

### b. Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

### c. Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In the context of the Company, structured entities comprise securitisation trusts in asset reconstruction business, mutual fund schemes and alternative investment funds / schemes thereof. The Company consolidates the structured entities that it controls. When making this judgement, the Company also considers voting and similar rights available to itself and other parties, who may limit the Company's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities, the exposure to variability of returns and whether the Company has the ability to use its power to affect the amount of the Company's returns i.e. the variability of returns in relation to the total returns of the investee entity.

## 5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the stand-alone financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### a. Fair value of financial instruments



## ECap Equities Limited

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

for the year ended 31 March 2020

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

For Investments made into Security receipts (SRs), Company uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

#### b. Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.





# ECap Equities Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2020

c. Effective interest rate method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

d. Accounting for deferred taxes

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

The Company has recognised deferred tax assets on carried forward tax losses where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Company expects that there will be sufficient taxable profits to offset these losses.

e. Estimating the incremental borrowing rate:

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

6. **Standards issued but not yet effective**

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

7. **Other matters**

- (a) The Hon'ble Regional Director, South East Region, Hyderabad vide Order dated 22 November 2019 has confirmed (approved /sanctioned) the Scheme of Amalgamation of Edelweiss Holdings Limited, (Transferor Company No. 1), Edelweiss Trustee Services Limited (Transferor Company No. 2) and Alternative Investment Market Advisors Private Limited (Transferor Company No. 3) with ECap Equities Limited (Transferee Company / the Company) having 01 April 2018 as the appointed date (the Scheme) under Section 233 of the Companies Act, 2013. The Order confirming the Scheme has been filed by the Company with the Registrar of Companies, Hyderabad on 29 November 2019 and therefore is effective from 29 November 2019.
- (b) CDPQ Private Equity Asia Pte. Ltd. (CDPQ), holder of non-cumulative convertible preference shares (CCPS) of Edelweiss Asset Reconstruction Company Limited (EARC), a fellow subsidiary of the Company, had on July 15, 2019 given a put intimation notice to fellow subsidiaries viz., Edelweiss Custodial Services Limited (ECSL) and ECL Finance Limited (ECL) in accordance with Option Agreement dated November 14, 2017. The Option Agreement required ECSL and ECLF to buy these CCPS at an agreed fair value. EARC had applied to Reserve Bank of India (RBI) which gave its no objection on February 17, 2020 in the name of the Company and Edelweiss Rural and Corporate Services Limited, a fellow subsidiary. As the companies and CDPQ have not completed fair value of the put security in accordance with the put agreement, CDPQ has not exercised its put option.





ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees in millions)

8 Property, plant and equipment

Description of assets	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions during the year	Disposals during the year	As at 31 March 2020	As at 1 April 2019	Charge for the year	Disposals during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Leasehold improvements	2.00	-	1.15	0.84	1.18	0.55	0.89	0.84	-	0.82
Furniture and fittings	23.62	0.08	0.39	24.16	10.43	1.52	0.27	13.68	10.48	13.19
Motor vehicles	4.04	0.77	2.03	2.78	2.14	0.54	1.25	1.43	1.35	1.90
Office equipments	49.37	0.18	0.69	48.81	33.28	7.42	0.89	39.81	8.00	16.09
Computers	35.00	3.41	1.14	37.27	22.72	6.11	0.88	27.95	9.32	12.28
<b>Total</b>	<b>114.03</b>	<b>5.24</b>	<b>5.41</b>	<b>113.86</b>	<b>69.75</b>	<b>15.14</b>	<b>5.18</b>	<b>83.71</b>	<b>30.15</b>	<b>44.28</b>

9 Investment property

Description of assets	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions during the year	Disposals during the year	As at 31 March 2020	As at 1 April 2019	Charge for the year	Disposals during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Building	983.69	-	-	983.69	95.91	44.39	-	140.30	843.39	887.77
<b>Total</b>	<b>983.69</b>	<b>-</b>	<b>-</b>	<b>983.69</b>	<b>95.91</b>	<b>44.39</b>	<b>-</b>	<b>140.30</b>	<b>843.39</b>	<b>887.77</b>

10 Goodwill

Description of assets	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions during the year	Disposals during the year	As at 31 March 2020	As at 1 April 2019	Charge for the year	Disposals during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Goodwill	60.94	-	-	60.94	-	-	-	-	60.94	60.94
<b>Total</b>	<b>60.94</b>	<b>-</b>	<b>-</b>	<b>60.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60.94</b>	<b>60.94</b>

11 Other intangible assets

Description of assets	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions during the year	Disposals during the year	As at 31 March 2020	As at 1 April 2019	Charge for the year	Disposals during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Computer software	24.28	31.77	-	56.05	22.05	10.76	-	32.81	23.24	2.22
<b>Total</b>	<b>24.28</b>	<b>31.77</b>	<b>-</b>	<b>56.05</b>	<b>22.05</b>	<b>10.76</b>	<b>-</b>	<b>32.81</b>	<b>23.24</b>	<b>2.22</b>





ECap Equities Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in millions)

8 Property, plant and equipment

Description of assets	Gross block					Depreciation					Net block	
	As at 1 April 2018	Acquisitions through business combinations	Additions during the year	Disposals during the year	As at 31 March 2019	As at 1 April 2018	Acquisitions through business combinations	Charge for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Leasehold improvements	2.00	-	-	-	2.00	0.59	-	0.59	-	1.18	0.82	1.41
Furniture and fittings	23.29	-	0.33	-	23.62	5.86	-	4.57	-	10.43	13.19	17.43
Motor vehicles	4.89	-	0.57	1.42	4.04	1.92	-	1.10	0.88	2.14	1.90	2.97
Office equipments	45.88	-	3.49	-	49.37	20.64	-	12.64	-	33.28	16.09	25.24
Computers	34.16	0.11	2.17	1.44	35.00	15.02	0.01	8.95	1.26	22.72	12.28	19.14
<b>Total</b>	<b>110.22</b>	<b>0.11</b>	<b>6.56</b>	<b>2.86</b>	<b>114.03</b>	<b>44.03</b>	<b>0.01</b>	<b>27.85</b>	<b>2.14</b>	<b>69.75</b>	<b>44.28</b>	<b>66.19</b>

9 Investment property

Description of assets	Gross block					Depreciation					Net block	
	As at 1 April 2018	Acquisitions through business combinations	Additions during the year	Disposals during the year	As at 31 March 2019	As at 1 April 2018	Acquisitions through business combinations	Charge for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Building	983.69	-	-	-	983.69	49.18	-	46.73	-	95.91	887.77	934.52
<b>Total</b>	<b>983.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>983.69</b>	<b>49.18</b>	<b>-</b>	<b>46.73</b>	<b>-</b>	<b>95.91</b>	<b>887.77</b>	<b>934.52</b>

10 Goodwill

Description of assets	Gross block					Depreciation					Net block	
	As at 1 April 2018	Acquisitions through business combinations	Additions during the year	Disposals during the year	As at 31 March 2019	As at 1 April 2018	Acquisitions through business combinations	Charge for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Goodwill	60.94	-	-	-	60.94	-	-	-	-	-	60.94	60.94
<b>Total</b>	<b>60.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60.94</b>	<b>60.94</b>

11 Other Intangible Assets

Description of assets	Gross block					Depreciation					Net block	
	As at 1 April 2018	Acquisitions through business combinations	Additions during the year	Disposals during the year	As at 31 March 2019	As at 1 April 2018	Acquisitions through business combinations	Charge for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019	As at 31 March 2018
Computer software	23.92	4.58	0.35	4.57	24.28	18.50	0.00	4.57	1.02	22.05	2.23	5.42
<b>Total</b>	<b>23.92</b>	<b>4.58</b>	<b>0.35</b>	<b>4.57</b>	<b>24.28</b>	<b>18.50</b>	<b>0.00</b>	<b>4.57</b>	<b>1.02</b>	<b>22.05</b>	<b>2.23</b>	<b>5.42</b>







## ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees in millions)

### 12 Investments

As at 31 March 2020

Particulars	At amortised cost	At fair value through P&L	Subtotal	At cost (subsidiaries, associates, and joint ventures)	Total
	(1)	(2)	3 = (1+2)	(4)	(5) = (3+4)
Investments in equity instruments of other companies	-	1,074.15	1,074.15	-	1,074.15
Investments in subsidiaries					
Equity	-	-	-	7,159.62	7,159.62
Preference shares	4,130.80	-	4,130.80	-	4,130.80
Investments in associate companies					
Equity	-	-	-	556.77	556.77
Investments in units of fund ( refer note 14.1)					
Units of Alternative Investment Funds	-	1,233.04	1,233.04	-	1,233.04
Investment in Warrants	-	100.79	100.79	-	100.79
Investments in debentures and bonds	257.32	66.47	323.79	-	323.79
<b>Total - Gross (A)</b>	<b>4,388.12</b>	<b>2,474.45</b>	<b>6,862.57</b>	<b>7,716.39</b>	<b>14,578.96</b>
(i) Investments outside India	-	-	-	-	-
(ii) Investment in India	4,388.12	2,474.45	6,862.57	7,716.39	14,578.96
<b>Total (B)</b>	<b>4,388.12</b>	<b>2,474.45</b>	<b>6,862.57</b>	<b>7,716.39</b>	<b>14,578.96</b>
Less: Allowance for impairment (C)	0.01	-	-	-	0.01
<b>Total Net (A-C)</b>	<b>4,388.11</b>	<b>2,474.45</b>	<b>6,862.57</b>	<b>7,716.39</b>	<b>14,578.95</b>







## ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees in millions)

### 12 Investments (continued)

As at 31 March 2019

Particulars	At amortised cost	At fair value through P&L	Subtotal	At cost (subsidiaries, associates, and joint ventures)	Total
	(1)	(2)	3 = (1+2)	(4)	(5) = (3+4)
Investments in equity instruments of other companies	-	1,615.22	1,615.22	-	1,615.22
Investments in mutual funds	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-
Equity	-	-	-	3,818.50	3,818.50
Preference shares	1,439.68	-	1,439.68	-	1,439.68
Investments in associate companies	-	-	-	-	-
Equity	-	-	-	884.39	884.39
Investments in units of fund ( refer note 14.1)	-	-	-	-	-
Units of Alternative Investment Funds	-	2,046.19	2,046.19	-	2,046.19
Units of Alternative Investment Funds - Group	-	639.81	639.81	-	639.81
Investment in partnership firm	-	-	-	0.03	0.03
<b>Total - Gross (A)</b>	<b>1,439.68</b>	<b>4,301.22</b>	<b>5,740.90</b>	<b>4,702.92</b>	<b>10,443.82</b>
(i) Investments outside India	-	-	-	-	-
(ii) Investment in India	1,439.68	4,301.22	5,740.90	4,702.92	10,443.82
<b>Total (B)</b>	<b>1,439.68</b>	<b>4,301.22</b>	<b>5,740.90</b>	<b>4,702.92</b>	<b>10,443.82</b>
Less: Allowance for impairment (C)	-	-	-	-	-
<b>Total Net (A-C)</b>	<b>1,439.68</b>	<b>4,301.22</b>	<b>5,740.90</b>	<b>4,702.92</b>	<b>10,443.82</b>





# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency - Indian Rupees in millions)

12.1 Investments	As at 31 March 2020			As at 31 March 2019		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Investments in equity shares of companies (fully paid up)</b>						
<b>Investments in equity instruments of subsidiaries</b>						
Edelcap Securities Limited	10	300,000	525.99	10	300,000	13.00
Edelweiss Finvest Private Limited	10	22,459,720	3,767.20	10	22,459,720	5,767.20
Edel Investments Limited	10	26,120,000	2,629.41	-	-	-
<b>Investments in equity instruments of associate companies</b>						
Lichen Metals Pvt Ltd	10	1,369,080	237.02	10	669,080	104.40
Edelweiss Asset Reconstruction Company Limited	10	10,482,041	223.21	10	20,964,082	446.43
Edelweiss Asset Management Limited	10	4,169,500	333.56	10	4,169,500	333.56
<b>Investments in equity instruments of other companies</b>						
<b>Quoted</b>						
Orient Green Power Company Limited	10	4,976,907	7.22	10	4,976,907.00	20.90
Panyam Cements & Mineral Industries Limited	10	164,397	-	10	164,397.00	1.51
Future Retail Limited	10	1,650,315	1,048.53	10	1,650,315.00	905.86
<b>Unquoted</b>						
Peak Minerals and Mining Private Limited	10	145,000	-	10	145,000	0.14
Gentrust Consumer Durables Private Limited	-	-	-	10	2,913	122.59
Samunnati Financial Intermediation & Services Private Limited	-	-	-	10	75,699	447.68
FLFL Lifestyle Brands Limited	10	9,200	18.40	10	9,200	18.40
Fincare Business Services Ltd.	-	-	-	10	250,358	98.14
<b>Investments in preference shares of Subsidiary companies</b>						
Edelcap Securities Limited	10	26,120,000	3,864.66	10	26,120,000	1,439.68
Edel Investments Limited	10	300,000	266.14	-	-	-
<b>Investments in preference shares of other companies</b>						
Mapoline Realtors Consultancy Private Limited	10	1,592	-	10	1,592	-
<b>Investments in optionally convertible debenture</b>						
Ketra Ventures Pvt. Limited	10,000	8,200	66.47	10,000	3,830	38.30
<b>Investments in bonds</b>						
10.25% ECL FINANCE LIMITED PERPETUAL BONDS	1,000,000	110	117.94	-	-	-
10.25% ECL FINANCE LIMITED PERPETUAL BONDS	1,000,000	130	139.38	-	-	-
<b>Investments in warrants</b>						
Privy Organika Limited	20,000,000	5	100.79	-	-	-
<b>Investments in units of fund (unquoted)</b>						
Edelweiss Alternative Investment Trust - EW Clover Scheme	10,000	5,000	-	10,000	12,500	150.00
Edelweiss Stressed and Troubled Assets Revival Fund I	-	-	-	6,664	3,000	15.65
Paragon Partners growth fund-I	100	756,115	-	100	676,115	98.36
Edelweiss Real Estate Opportunities Fund	10,000	2,675	41.03	10,000	29,018	328.28
Edelweiss Private Equity Tech fund	100,000	1,096	263.33	100,000	1,062	150.07
Edelweiss Special Opportunities Fund	10,000	3,195	34.19	10,000	3,195	31.95
Edelweiss India Real Estate Fund	10,000	2,628	24.24	10,000	2,854	27.64
Edelweiss Credit Opportunities fund	1,000	50,000	49.20	1,000	551,505	578.16
Edelweiss Value and Growth Fund	100,000	3,155	525.92	100,000	3,154	339.74
Faering Capital India Evolving Fund II	-	-	-	1,000	22,690	19.49
EC Special Situations Fund	10,000	2,754	32.19	10,000	2,754	30.30
Edelweiss Infrastructure Yield Plus Fund	1,000	1,875	22.33	1,000	600,000	600.00
Edelweiss India Special Situations Fund	10,000	6,941	53.54	10,000	19,017	195.10
EISAF II Onshore Fund	10,000	1,625	20.80	10,000	1,275	13.41
EREF Onshore Fund	10,000	2,229	22.61	10,000	2,229	22.73
Edelweiss Commercial Assets Fund	100,000	500	43.63	100,000	500	50.00
RE Opportunities Fund	100,000	350	34.97	100,000	350	34.97
Real Estate Credit Opportunities Fund	10,000	6,237	65.06	-	-	-
Accrued income on Fund	-	-	-	-	-	0.14
Expected credit loss	-	-	-0.01	-	-	-
<b>Investments in partnership firms</b>						
Capital account	-	-	0.00	-	-	0.03

14,578.95

10,443.82







## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 13 Loans

at amortised cost:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Term Loans</b>		
Corporate credit	1,000.00	10,614.36
Corporate credit - Group	-	1,627.85
<b>Total Gross</b>	<b>1,000.00</b>	12,242.21
Less: Impairment loss allowance	140.55	1,331.22
<b>Total (Net)</b>	<b>859.45</b>	10,910.99
Secured by tangible assets ( Property including land , building & securities)	1,000.00	10,519.94
Unsecured - Group	-	1,627.85
Unsecured	-	94.42
<b>Total Gross</b>	<b>1,000.00</b>	12,242.21
Less: Impairment loss allowance	140.55	1,331.22
<b>Total (Net)</b>	<b>859.45</b>	10,910.99
<b>Loans in India</b>		
Public Sectors	-	-
Others	1,000.00	12,242.21
<b>Total Gross</b>	<b>1,000.00</b>	12,242.21
Less: Impairment loss allowance	140.55	1,331.22
<b>Total (Net)</b>	<b>859.45</b>	10,910.99



**ECap Equities Limited****Notes to the financial statements (Continued)**

(Currency - Indian Rupees in millions)

	As at 31 March 2020	As at 31 March 2019
<b>14 Other financial assets</b>		
Security deposits	2.30	2.18
Deposits placed with/exchange/depositories	0.01	0.10
Rental deposits	100.63	0.63
	<u>102.94</u>	<u>2.91</u>
<b>15 Current tax assets (net)</b>		
Advance income taxes	196.39	217.49
	<u>196.39</u>	<u>217.49</u>
<b>16 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
<b>Loans</b>		
Provision for standard assets - ECL provision	332.74	478.23
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	-	0.24
<u>Investments and other financial instruments</u>		
Unrealised loss on Derivatives	532.62	-
<b>Employee benefit obligations</b>		
Provision for leave accumulation	0.77	0.66
Disallowances under section 43B of the Income Tax Act, 1961	3.67	3.29
<b>Unused tax credit</b>		
MAT credit entitlement	-	90.55
<b>Unused tax losses</b>		
Accumulated losses	149.82	-
Others	35.03	53.30
	<u>1,054.65</u>	<u>626.27</u>
<b>Deferred tax liabilities</b>		
<b>Property, plant and equipment and intangibles</b>		
Difference between book and tax depreciation (including intangibles)	59.99	46.27
<b>Investments and other financial instruments</b>		
Unrealised gain on derivatives	-	87.30
Fair valuation of investments and stock in trade	169.85	286.50
	<u>229.84</u>	<u>420.07</u>
	<u>824.81</u>	<u>206.20</u>
<b>17 Other non-current assets</b>		
Prepaid expenses	2.68	-
	<u>2.68</u>	<u>-</u>





# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 16.1 : Income tax

(a) The components of income tax expense for the years ended 31 March 2020 and 31 March 2019 are:

Particulars	31 March 2020	31 March 2019
Current tax	111.55	385.55
Adjustment in respect of current income tax of prior years	-4.38	10.77
Deferred tax relating to origination and reversal of temporary differences	-854.92	-268.30
Write-down of deferred tax asset (other than on unused tax losses and unused tax credits)	-4.02	-12.51
Deferred tax asset recognised on unused tax credit or unused tax losses	240.37	55.92
<b>Total tax charge</b>	<b>-510.45</b>	<b>173.11</b>
Current tax	108.17	396.30
Deferred tax	-618.62	-223.20

(b) Reconciliation of total tax charge :

Particulars	31 March 2020	31 March 2019
Accounting profit before tax as per financial statements	-1,126.28	880.38
<b>Tax rate (in percentage)</b>	<b>0.35</b>	<b>0.35</b>
Income tax expense calculated based on this tax rate	-393.57	307.64
Adjustment in respect of current income tax of prior years	-4.38	10.77
<b>Effect of income not subject to tax:</b>		
Long term capital gain on sale of shares	-90.66	-106.92
Others - dividend income	-	-12.94
Penalties	-	2.91
Others - bonus reversal and other disallowable	-14.85	-18.79
Others	-64.75	-65.86
Write-down of available tax credits which are not considered recoverable (for example, Minimum Alternate Tax credit)	90.55	33.62
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	-	-0.33
Impact of tax rate changes	-28.82	-0.23
Others	-3.97	13.24
<b>Tax charge for the year recorded in statement of profit and loss</b>	<b>-510.45</b>	<b>173.11</b>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 16.1 Income tax

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

	Movement for the period (2019-20)				
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in statement of profit and loss	Recognised in other comprehensive income	Total movement	Closing deferred tax asset / (liability) as per Ind AS
<b>Deferred taxes in relation to:</b>					
Property, plant and equipment	-36.71	-10.96	-	-10.96	-47.67
Intangible assets	-8.32	-2.99	-	-2.99	-12.31
Fair valuation of stock in trade	-59.89	45.49	-	45.49	-14.40
Other investments (debt securities)	-1.36	1.37	-	1.37	0.01
Other investments (equity instruments)	-153.15	125.60	-	125.60	-27.55
Other investments (AIF Funds)	-72.10	-55.81	-	-55.81	-127.91
Credit substitute	474.20	-154.81	-	-154.81	319.39
Trade receivable	4.02	8.33	-	9.35	13.38
Fair valuation of derivatives	-87.30	619.92	-	619.92	632.62
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	-	149.82	-	149.82	149.82
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	-90.55	-90.55	-	-90.55	-
Others	57.25	-17.69	-0.10	-17.79	39.46
<b>Total</b>	<b>206.20</b>	<b>618.72</b>	<b>-0.10</b>	<b>618.62</b>	<b>824.81</b>

	Movement for the period (2018-19)				
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in statement of profit and loss	Recognised in other comprehensive income	Total movement	Closing deferred tax asset / (liability) as per Ind AS
<b>Deferred taxes in relation to:</b>					
Property, plant and equipment	-23.68	-13.03	-	-13.03	-36.71
Intangible assets	-9.58	0.27	-	0.27	-9.32
Fair valuation of stock in trade	-76.79	18.90	-	18.90	-59.89
Other investments (debt securities)	2.10	-3.46	-	-3.46	-1.36
Other investments (equity instruments)	-200.88	47.73	-	47.73	-153.15
Other investments (AIF Funds)	-25.19	-46.91	-	-46.91	-72.10
Other investments (Mutual Funds)	-0.52	0.52	-	0.52	-
Credit substitute	154.46	319.74	-	319.74	474.20
Trade receivable	8.33	-4.31	-	-4.31	4.02
Fair valuation of derivatives	-45.44	-41.86	-	-41.86	-87.30
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	146.37	-55.82	-	-55.82	90.55
Others	56.69	1.86	-0.30	1.56	57.25
<b>Total</b>	<b>-17.13</b>	<b>223.50</b>	<b>-0.30</b>	<b>223.19</b>	<b>206.20</b>

Break-up of recognition of current tax	31 March 2020	31 March 2019
In statement of profit and loss	108.17	396.30
In other comprehensive income	0.10	0.30

Break-up of income tax recorded in OCI	31 March 2020	31 March 2019
Deferred tax		
Employee benefits obligations	0.10	0.30



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 18 Stock in trade

##### At fair value through profit and Loss

	As at 31 March 2020	As at 31 March 2019
<b>Particulars</b>		
Mutual fund	84.90	1,495.79
Debt securities	5,239.83	713.99
Equity instruments	517.69	854.39
<b>Total - Gross (A)</b>	<b>5,842.42</b>	<b>3,064.17</b>
Stock in trade outside India	-	-
Stock in trade in India	5,842.42	3,064.17
<b>Total (B)</b>	<b>5,842.42</b>	<b>3,064.17</b>
Less: Allowance for impairment ( C)	-	-
<b>Total Net (A-C)</b>	<b>5,842.42</b>	<b>3,064.17</b>





# **ECap Equities Limited**

## **Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

### **18.1 Stock in trade**

#### **Equity shares (quoted)**

	As at 31 March 2020	As at 31 March 2019
	Face Value Quantity Amount	Face Value Quantity Amount
Ruby Cables Limited	10 192,000 -	10 192,000 1.04
Mahashwari Logistics Limited	- - -	10 3,000 0.65
Westlife Development Limited	- - -	2 2,000 0.86
Arshiya Limited	2 9,795,000 66.20	2 10,000,000 900.00
IRIS Business Services Limited	5 10 0.00	10 24,000 0.88
OIL AND NATURAL GAS CORPORATION Limited	10 1 0.00	10 1 0.01
TTX PRESTIGE Limited	10 1 0.00	10 1 0.02
Vodafone Idea Limited	- - -	10 1,000 0.02
Rajal Corporation Limited	- - -	1 3,300 3.71
GUJARAT FLUORO-CHEMICALS LIMITED	2 1,886,031 448.89	1 3,300 3.65
Techno Electric and Engineering Co. Limited	- - -	2 2,000,000 835.40
Cox Bamp. Kings Limited	- - -	5 10,000 1.40
Plastiblend India Limited	- - -	5 5,172 1.92
HEG Limited	2 1 0.00	10 114 0.24
Karur Vysa Bank Limited	- - -	2 2 0.00
Marvel Decor Limited	- - -	10 6,019 3.36
The Anup Engineering Limited	10 1 0.00	- - -
NOCIL LTD.	10 181 0.01	- - -
MUTHOOT FINANCE LTD.	10 60 0.04	- - -
Prabhat Dairy Ltd	10 45,893 2.59	- - -
SBI Life Insurance Company Ltd	10 25 0.02	- - -
Five Core Electronics Limited	10 11,500 -	- - -
ICICI Prudential Life Insurance Company Limited	- - -	- - -
	517.69	852.45

#### **Equity shares (Unquoted)**

KPT Engineering Limited

10	22,500	1.94
		1.94

#### **Mutual funds (quoted)**

COSE ETF	10 72,731 1.17	10 705,248 19.21
Motilal Oswal Most Shares Midcap 50 ETF - Growth Option	- - -	7 21,464 2.40
Motilal Oswal Mutual Fund - Motilal Oswal MOST Shares Midcap 100 ETF - Growth Option	10 43,877 0.55	10 43,877 0.12
NIPPON INDIA ETF NIFTY BEES	1 2,420 0.22	10 734 0.90
Edelweiss Mutual Fund - Edelweiss Exchange Traded Scheme - Nifty ( Nifty EES )	10 73 0.82	10 73 0.96
Kotak Mahindra Mutual Fund - Kotak PSU Bank ETF	10 7,078 0.92	10 41,704 13.81
Edelweiss ETF - Nifty Bank	10 602 1.18	10 529 1.69
Aditya Birla Sun Life Nifty ETF - Growth	10 17,790 1.81	10 17,750 3.04
Kotak Mahindra Mutual Fund - Kotak Nifty ETF	1 352 0.03	1 54 0.01
Kotak Mahindra Mutual Fund	- - -	10 1,302 0.51



**ECap Equities Limited**  
**Notes to the financial statements (Continued)**  
(Currency : Indian rupees in millions)

**18.1 : Stock in trade**

	As at 31 March 2020			As at 31 March 2019		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Mutual funds (quoted)</b>						
ICICI Mutual Fund - iSense Nifty ETF	10	7,123	0.72	10	5,600	0.68
Nippon India ETF Sensex	10	720	0.28	10	20,720	6.45
Birla Sun Life Sensex ETF	10	360	0.34	10	450	0.10
NIPON INDIA ETF BANK BEES	1	51	0.01	10	266	0.83
SBI Mutual Fund - SBI-ETF 10 YEAR BIL	10	13,104	2.52	10	7,984	1.35
SBI-ETF NIFTY 50	-	-	-	10	8,386	1.00
Reliance ETF PSU Bank BEES	-	-	-	10	4,459	1.64
Reliance ETF Junior BEES	-	-	-	10	105	0.03
SBI-ETF Nifty Bank	10	3,540	0.68	10	115,778	35.49
SHARAT 22 ETF - ICICI Prudential AMC	10	-	-	10	179,537	8.82
ICICI Prudential SPCE Fund	-	-	-	10	2,828	1.16
Reliance ETF Infra BEES	-	-	-	10	1,398	0.47
ICICI Prudential Nifty ETF	-	-	-	10	8,855	1.16
Nippon India ETF Nifty 100	10	30,001	2.92	10	30,001	3.61
Reliance Mutual Fund - iSense Nifty 50 ETF	-	-	-	10	15	0.01
ICICI Sensex ETF - Open Ended Traded Fund	2,504	858	2.77	2,504	5,673	22.32
Edeli ETF Nifty 100 Qual30	-	-	-	10	21,230	6.16
Mirae Asset Mutual Fund - Mirae Asset Nifty 50 ETF	1	77,634	1.88	10	10,020	0.87
KOTAK SENSEX ETF	100	9,855	0.87	10	8,855	1.14
ICICI Prudential Nifty 100 ETF	10	1,302	0.39	-	-	-
SBI Mutual Fund - SBI - ETF BSE 100	10	25	0.00	-	-	-
ICICI MF Exchange Traded Fund- NIFTY 100	10	99,874	4.23	-	-	-
ICICI Prudential Nifty 50 ETF	10	526	0.05	-	-	-
ICICI Prudential Midcap Select ETF	10	1,686	0.08	-	-	-
ICICI Prudential Nifty Low Vol 30 ETF	10	10	0.00	-	-	-
ICICI Prudential S&P BSE 500 ETF	10	4,650	0.36	-	-	-
ICICI Prudential Bank ETF	10	5,888	1.13	-	-	-
ICICI Prudential Private Banks ETF9	10	9,472	0.99	-	-	-
ICICI Prudential Sensex ETF	10	8	0.00	-	-	-
Motilal Oswal MOSt Shares MID ETF	7	21,464	1.81	-	-	-
Edelweiss ETF - Nifty 100 Quality 30	10	20,246	5.16	-	-	-
Indiabulls Mutual Fund - Indiabulls Nifty 50 Exchange Traded Fund	10	13,703	1.30	-	-	-
NIPON INDIA ETF INFRA BEES	1	2,859	0.57	-	-	-
Tata Nifty Exchange Traded Fund	10	30,234	2.75	-	-	-
NIPON INDIA ETF NIFTY MIDCAP 150	10	8,944	0.42	-	-	-
SBI-ETF Nifty Next 50	10	2,152	0.87	-	-	-
SBI Mutual Fund - SBI Sensex ETF	10	2,624	0.86	-	-	-
SBI Mutual Fund - SBI - ETF Quality - SBI-ETF Quality	10	5,331	0.49	-	-	-
SBI-ETF Nifty 50	10	4,210	0.38	-	-	-
			40.99			135.83



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 18.1 Stock in trade

	As at 31 March 2020			As at 31 March 2019		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Mutual funds (unquoted)</b>						
Axa Liquid Fund - Direct Plan - Growth Option	10	10	-	10	440,670	913.74
Edelweiss Liquid Fund - Regular Plan - Growth Option	-	-	-	10	894	1.66
IDCI Prudential Liquid Fund - Direct Plan - Growth	-	-	-	10	548,618	111.85
Franklin India Smaller Companies Fund - Direct - Growth	-	-	-	10	790,481	46.08
Reliance Liquid Fund - Direct Plan Growth Plan - Growth Option	-	-	-	10	44,772	304.23
Edelweiss Fixed Maturity Plan Direct Plan - Growth	10	4,000,000	43.91	10	4,000,000	42.60
			<u>41.81</u>			<u>1,359.9m</u>
<b>Debentures and bonds (Quoted)</b>						
ECL FINANCE LTD(BK602A)	-	-	-	100,000	70	9.27
EDELWEISS FINVEST PRIVATE LIMITED(BA701A)	-	-	-	100,000	10	1.28
ECL FINANCE LTD(BK603A)	-	-	-	100,000	25	9.23
EDELWEISS FINANCE & INVESTMENTS LTD(BK603C)	-	-	-	100,000	70	9.30
ECL FINANCE LTD(BK603B)	-	-	-	100,000	87	12.94
ECL FINANCE LTD(BK603M)	-	-	-	100,000	125	16.51
EDELWEISS FINANCE & INVESTMENTS LTD(BK601A)	-	-	-	100,000	100	14.89
EDELWEISS FINVEST PRIVATE LIMITED(BB702A)	-	-	-	100,000	23	2.25
ECL FINANCE LTD(BB604A)	-	-	-	100,000	23	8.84
EDELWEISS FINVEST PRIVATE LIMITED(BB705A)	-	-	-	100,000	973	86.00
EDELWEISS FINVEST PRIVATE LIMITED(BB701A)	-	-	-	100,000	140	18.10
ECL FINANCE LTD(BB602A)	-	-	-	100,000	76	11.12
ECL FINANCE LTD(BB701A)	-	-	-	100,000	21	2.95
EDELWEISS FINANCE & INVESTMENTS LTD(BB702B)	-	-	-	100,000	160	14.96
EDELWEISS FINANCE & INVESTMENTS LTD(BB701A)	-	-	-	100,000	271	37.69
EDELWEISS FINVEST PRIVATE LIMITED(BB701B)	-	-	-	100,000	100	12.35
ECL FINANCE LTD(BB603B1)	-	-	-	-	-	-
EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED(B015107531)	100,000	2,479	314.80	-	-	-
EDELWEISS FINVEST PRIVATE LIMITED(B12408208)	100,000	20	2.36	-	-	-
ECL FINANCE LTD(B04072X0)	100,000	510	51.04	-	-	-
9.00% YES BANK LIMITED PERPETUAL BONDS	100,000	200	27.14	-	-	-
2.00% EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED 20.11.2027 NCD	630,769	178	112.33	1,000,000	150	98.01
11.00% EDELWEISS FINVEST PRIVATE LIMITED 29.07.2021 BONDS	1,000,000	70	59.98	1,000,000	178	308.77
9.55% EDELWEISS COMMODITIES SERVICES LIMITED 06.08.2021 BONDS	1,000,000	500	529.84	-	-	-
10.65% EDELWEISS RURAL & CORPORATE SERVICES LIMITED 07.04.2022 BONDS	1,000,000	3,550	3,637.26	-	-	-
12.00% ECL FINANCE LIMITED 26.04.2020 NCD - MTH CLIM	1,000	5	0.08	-	-	-
10.20% ECL FINANCE LIMITED 23.08.2022 BONDS	1,000	679	0.70	-	-	-
10.65% EDELWEISS RURAL CORPORATE SERVICES LIMITED 18.04.2022 BONDS	1,000,000	500	504.32	-	-	-
			<u>5,239.83</u>			<u>661.30</u>
<b>Debentures and bonds (unquoted)</b>						
ECL FINANCE LTD(BA702A)	-	-	-	100,000	400	52.69
			-	-	-	<u>52.69</u>
			-	-	-	<u>3,064.17</u>



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2020	As at 31 March 2019
<b>19 Investment</b>		
Investments in partnership firm		
Current account	0.52	0.49
	<u>0.52</u>	<u>0.49</u>
<b>19.1 Share of profit / loss in: Edelweiss Resolution Advisors LLP</b>		
Total capital: Rs. 0.10 million		
Edelweiss Rural & Corporate Services Limited	99.97%	50.00%
ECap Equities Limited	0.01%	48.00%
Edelweiss Capital Markets Limited (till 11-May - 2018)	0.00%	0.00%
Ram Setia	0.01%	1.00%
Mahindra Banjger	0.01%	1.00%
	<u>100%</u>	<u>100%</u>





# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 20 Trade receivables

Particulars	31 March 2020	31 March 2019
Receivables considered good - unsecured	102.91	7,914.31
Receivables which have significant increase in credit risk	15.66	-
Receivables - credit impaired	21.58	1.37
	<b>140.15</b>	<b>7,915.68</b>
Less : Allowance for expected credit losses	36.38	9.68
	<b>103.77</b>	<b>7,906.00</b>

#### Reconciliation of impairment allowance on trade and lease receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on 1 April 2019	9.68
Add/ (less): asset originated or acquired (net)	26.70
Impairment allowance as on 31 March 2020	<b>36.38</b>

#### Provision matrix for Trade receivables

	Trade receivables days past due	0-90 days	91-180 days	181-360 days	more than 360 days	Total
31 March 2020	ECL rate	4.60%	17.80%	52.19%	100.00%	
	Estimated total gross carrying amount at default	88.51	14.40	15.66	21.58	140.15
	ECL - simplified approach	-4.07	-2.56	-8.17	-21.58	-36.38
	Net carrying amount	<b>84.44</b>	<b>11.84</b>	<b>7.49</b>	<b>-</b>	<b>103.77</b>
31 March 2019	ECL rate	0.02%	3.20%	19.68%	100.00%	
	Estimated total gross carrying amount at default	7,872.68	10.38	31.25	1.37	7,915.68
	ECL - simplified approach	-1.83	-0.33	-6.15	-1.37	-9.68
	Net carrying amount	<b>7,870.85</b>	<b>10.05</b>	<b>25.10</b>	<b>-</b>	<b>7,906.00</b>



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2020	As at 31 March 2019
<b>21 Cash and cash equivalents</b>		
Cash on hand	0.01	0.03
Balances with banks - in current accounts	470.51	385.15
	<b>470.52</b>	<b>385.18</b>

### 22 Bank balances other than cash and cash equivalents

Fixed deposits (refer note 22.1)	-	201.00
Accrued interest on fixed deposits	-	0.79
	-	<b>201.79</b>

### 22.1 Encumbrances' on fixed deposits held by the Company

The Company has pledged fixed deposits aggregating to Rs. Nil with bank for securing bank overdrafts (previous year: Rs. 50,000,000).

### 23 Loans

#### At amortised cost

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Term Loans</b>		
Corporate credit	4,258.65	-
<b>On Demand</b>		
Corporate credit	1,041.00	6,596.05
Corporate credit - Group	6,321.30	16,446.27
<b>Total Gross</b>	<b>11,620.95</b>	<b>23,042.32</b>
Less: Impairment loss allowance	773.45	25.80
<b>Total (Net)</b>	<b>10,847.50</b>	<b>23,016.52</b>
Secured by tangible assets ( Property including land, building & securities)	5,144.25	-
Unsecured - Group	6,321.30	16,446.27
Unsecured	155.40	6,596.05
<b>Total Gross</b>	<b>11,620.95</b>	<b>23,042.32</b>
Less: Impairment loss allowance	773.45	25.80
<b>Total (Net)</b>	<b>10,847.50</b>	<b>23,016.52</b>



**ECap Equities Limited**
**Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

**24 Derivative financial instruments**

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

31 March 2020						
Particulars	Notional		Fair value of asset (INR)	Notional		Fair value of liability (INR)
	Unit	Notional amount*		Unit	Notional amount*	
<b>(i) Currency derivatives</b>						
-Currency Futures	Number of currency units	-	-	Number of currency units	-	-
-Options sold (written)	Number of currency units	-	-	Number of currency units	-	-
Less: amounts offset			-			-
<b>Sub total (i)</b>			-		-	-
<b>(ii) Interest rate derivatives</b>						
-Futures	Number of G-sec units	-	-	Number of G-sec units	-	-
Less: amounts offset			-			-
<b>Sub total (ii)</b>		-	-		-	-
<b>(iii) Equity linked derivatives</b>						
-Stock Futures	Number of shares	4,111,955	29.16	Number of shares	5,481,945	24.79
Less: amounts offset			29.16			24.79
<b>Sub total (iii)</b>			-		-	-
<b>(iv) Index linked derivatives</b>						
-Index Futures	Number of index units	151,565	5.49	Number of index units	484,125	92.47
-Options purchased	Number of index units	1,768,200	1,292.22	Number of index units	-	-
-Options sold (written)	Number of index units	-	-	Number of index units	1,969,425	2,030.98
Less: amounts offset			1,297.71			2,123.45
<b>Sub total (iv)</b>			5.49		-	92.47
<b>Sub total (iv)</b>			1,292.22		-	2,030.98
<b>(v) Embedded derivatives</b>						
-In market linked debentures	Number of index units	-	1,147.86	Number of index units	-	583.98
<b>Sub total (v)</b>		-	1,147.86		-	583.98
<b>Total Derivative Financial Instruments</b>			2,440.08			2,614.96

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



**ECap Equities Limited**
**Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

**24 Derivative financial instruments**

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

Particulars	31 March 2019					
	Notional		Fair value of asset (INR)	Notional		Fair value of liability (INR)
	Unit	Notional amount*		Unit	Notional amount*	
<b>(i) Currency derivatives</b>						
-Currency Futures	Number of currency units	25,962,000	8.06	Number of currency units	-	-
-Options sold (written)	Number of currency units	-	-	Number of currency units	18,082,000	8.15
			<b>8.06</b>			<b>8.15</b>
Less: amounts offset			8.06			8.15
<b>Sub total (i)</b>			-		-	-
<b>(ii) Interest rate derivatives</b>						
-Futures	Number of G-sec units	1,492,000	0.14	Number of G-sec units	550,000	0.00
			<b>0.14</b>			<b>0.00</b>
Less: amounts offset			0.14			0.00
<b>Sub total (ii)</b>			-			-
<b>(iii) Equity linked derivatives</b>						
-Stock Futures	Number of shares	5,564,050	40.12	Number of shares	102,900	4.74
			<b>40.12</b>			<b>4.74</b>
Less: amounts offset			40.12			4.74
<b>Sub total (iii)</b>			-			-
<b>(iv) Index linked derivatives</b>						
-Index Futures	Number of index units	22,650	0.57	Number of index units	20,340	10.69
-Options purchased	Number of index units	681,675	447.80	Number of index units	-	-
-Options sold (written)	Number of index units	-	-	Number of index units	1,538,400	151.04
			<b>448.37</b>			<b>161.73</b>
Less: amounts offset			0.57			161.73
<b>Sub total (iv)</b>			447.80			-
<b>(v) Embedded derivatives</b>						
- In market linked debentures	Number of index units	-	224.54	Number of index units	-	767.34
<b>Sub total (v)</b>			<b>224.54</b>			<b>767.34</b>
<b>Total Derivative Financial Instruments</b>			<b>672.34</b>			<b>767.34</b>

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







**ECap ECap Equities Limited****Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

**24 Derivative financial instruments****(b) Offsetting of financial assets and liabilities****Financial assets subject to offsetting 31 March 2020**

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
Derivative financial assets	2,474.73	34.64	2,440.09

**Financial liabilities subject to offsetting 31 March 2020**

	Offsetting recognised in the balance sheet		
	Gross liability before offset	Amount offset	Net liability recognised in balance sheet
Derivative financial liabilities	2,732.22	117.26	2,614.96

As at the reporting date, the amount of gross derivative assets & liabilities that has been offset against the cash margin is Rs. 34.64 millions and Rs. 117.26 millions respectively.

**Financial assets subject to offsetting 31 March 2019**

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
Derivative financial assets	721.22	48.88	672.34

**Financial liabilities subject to offsetting 31 March 2019**

	Offsetting recognised in the balance sheet		
	Gross liability before offset	Amount offset	Net liability recognised in balance sheet
Derivative financial liabilities	941.97	174.63	767.34

As at the reporting date, the amount of gross derivative assets & liabilities that has been offset against the cash margin is Rs. 48.88 millions and Rs. 174.63 millions respectively.





**ECap Equities Limited****Notes to the financial statements (Continued)**

(Currency - Indian Rupees in millions)

	As at 31 March 2020	As at 31 March 2019
<b>25 Other financial assets</b>		
Accrued interest on margin	16.11	-
Margin placed with broker	-	2,708.56
Premium received on outstanding exchange traded options	-	-159.19
Dividend receivable	0.00	0.29
Advances recoverable in cash or in kind or for value to be received	11.74	1.90
	<b>27.85</b>	<b>2,551.56</b>

Note: 0.00 represents amount less than Rs 5,000

**26 Other current assets**

Input tax credit	113.99	58.49
Other deposits	0.36	0.36
Prepaid expenses	1.46	3.27
Vendor Advances	12.14	4.98
Advances recoverable in cash or in kind or for value to be received (non-financial a:	0.02	0.02
Advances to employees	0.15	0.25
Others	-	0.17
	<b>128.12</b>	<b>67.54</b>





## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

	As at 31 March 2020	As at 31 March 2019
<b>27 Equity share capital</b>		
<b>Authorised :</b>		
10,000,000 (Previous year: 10,000,000) equity shares of Rs. 10 each	100.00	100.00
40,000,000 (Previous year: 40,000,000) preference shares of Rs. 10 each	400.00	400.00
	<u>500.00</u>	<u>500.00</u>
<b>Issued, subscribed and paid up:</b>		
740,000 (Previous year: 740,000) equity shares of Rs. 10 each	7.40	7.40
	<u>7.40</u>	<u>7.40</u>

**a. Movement in share capital :**

	31 March 2020		31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	740,000	7.40	740,000	7.40
Shares issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>740,000</b>	<b>7.40</b>	<b>740,000</b>	<b>7.40</b>

**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.

**c. Shares held by holding Company**

	31 March 2020		31 March 2019	
	No. of shares	%	No. of shares	%
Edelweiss Financial Services Limited, the holding company and its nominees	740,000	100%	740,000	100%
	<u>740,000</u>	<u>100%</u>	<u>740,000</u>	<u>100%</u>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

	As at 31 March 2020	As at 31 March 2019
<b>28 Other equity</b>		
Capital Reserve - Opening balance	-105.59	-
Add : Additions during the year	-	-105.59
	<u>-105.59</u>	<u>-105.59</u>
<b>Capital redemption reserve</b>	<b>31.00</b>	<b>31.00</b>
Add : Additions during the year	-	-
	<u>31.00</u>	<u>31.00</u>
<b>Securities premium</b>	<b>1,784.92</b>	<b>1,510.71</b>
Add : Additions during on issue of equity shares	-	-
Add : Additions during on issue of debentures	87.76	274.21
Less: Use of premium for redemption of debentures	-183.00	-
Less:- Transferred to Debenture Liability	-260.64	-
	<u>1,429.04</u>	<u>1,784.92</u>
<b>Debenture redemption reserve</b>	<b>1,051.41</b>	<b>353.15</b>
Add : Additions during the year	-	698.26
	<u>1,051.41</u>	<u>1,051.41</u>
<b>Deemed capital contribution - ESOP</b>	<b>20.92</b>	<b>20.92</b>
Add : Additions during the year	-	-
	<u>20.92</u>	<u>20.92</u>
<b>Opening Balance</b>	<b>56.56</b>	<b>35.71</b>
Add: (Loss) / Profit for the year	-615.72	707.58
Add: Impact of merger	-	25.03
Add: Other comprehensive income for the year	-847.90	0.57
Add: Transactions with shareholders in their capacity as such	118.98	15.17
	<u>-1,288.08</u>	<u>784.06</u>
<b>Amount available for appropriation</b>	<b>-1,288.08</b>	<b>784.06</b>
Appropriations:		
Interim dividend	-	24.25
Dividend distribution tax	-	4.98
Transfer to debenture redemption reserve	-	698.27
	<u>-1,288.08</u>	<u>56.56</u>
	<u>1,138.71</u>	<u>2,839.22</u>



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

#### 29 Borrowings

##### 29 (a) Non current borrowings at amortised cost:

Particulars	31 March 2020	31 March 2019
<b>Secured:</b>		
Non-convertible debentures <sup>2</sup>	9,851.83	11,423.93
From other financial institutions <sup>3</sup>	-	157.35
<b>Total</b>	<b>9,851.83</b>	<b>11,581.28</b>

##### 29 (b) Current borrowings at amortised cost:

Particulars	31 March 2020	31 March 2019
<b>Secured:</b>		
Non-convertible debentures <sup>2</sup>	10,232.96	14,928.50
From other financial institutions <sup>3</sup>	160.22	1,156.06
<b>Unsecured:</b>		
Loan from bank <sup>4</sup>	-	14,003.84
Loan from related parties <sup>5</sup>	9,138.50	282.01
Inter corporate deposits <sup>6</sup>	2,615.49	1,390.38
Commercial paper <sup>1</sup>	-	4,322.99
Preference share capital	881.34	-
<b>Total - Gross (A)</b>	<b>23,028.51</b>	<b>36,083.78</b>

Note:-

- 1 Repayable on demand, on various interest rate
- 2 The debentures are secured by a first mortgage and charge over the immovable property and a pari passu charge on the receivables, loans and stock in trade to the extent equal to the principal and interest amount i.e. redemption value of debentures
- 3 Secured against immovable property, movable and current assets and hypothecation is created over all current and future furniture and fittings
- 4 At interest rate ranging from 8.70% to 9.50% p.a.
- 5 At interest rate ranging from 11.60% to 17.40% p.a.
- 6 Repayable on demand, interest rate ranging from 6.00% to 11.50% p.a.



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2020	As at 31 March 2019
<b>30 Other financial liabilities</b>		
Rental Deposits	209.17	29.17
Retention money payable	33.24	45.61
	<u>242.41</u>	<u>74.78</u>
<b>31 Provisions</b>		
Provision for employee benefits		
Gratuity	8.97	7.79
Compensated leave absences	1.84	1.59
	<u>10.81</u>	<u>9.38</u>
<b>32 Trade payables</b>		
Trade payables from non-related parties	44.66	68.21
Trade payables from related parties	118.86	7,797.63
	<u>163.52</u>	<u>7,865.84</u>
<b>32.1 Details of dues to micro and small enterprises</b>		
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.		
<b>33 Other financial liabilities</b>		
Other payables	19.48	15.57
Accrued salaries and benefits	0.98	20.19
Payable to exchange / clearing house (net)	120.77	-
Retention money payable	7.50	-
Provision for short sale	-	1,182.36
Nomination deposits - Payables	1.24	0.10
	<u>149.97</u>	<u>1,218.22</u>
<b>34 Other current liabilities</b>		
Revenue received in advance	0.65	-
Others	0.61	1.10
Withholding taxes, Goods and service tax and other taxes payable	147.71	59.94
	<u>148.97</u>	<u>61.04</u>
<b>35 Provisions</b>		
Deferred bonus	-	-
Gratuity	1.53	1.26
Compensated absences	0.36	0.32
	<u>1.89</u>	<u>1.58</u>
<b>36 Current tax liabilities (net)</b>		
Provision for taxation	24.74	162.71
	<u>24.74</u>	<u>162.71</u>





# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian Rupees in millions)

	for the year ended 31 March 2020	for the year ended 31 March 2019
<b>Revenue from operations</b>		
<b>37 Fee income</b>		
Income from securities broking	0.45	0.69
Advisory and other fees	187.11	176.35
	<b>187.56</b>	<b>177.04</b>
<b>38 Net gain on fair value changes</b>		
Loss on trading of securities (net)	-966.80	-2,435.23
Profit on equity derivative instruments (net)	560.16	2,707.04
Profit on commodity derivative instruments (net)	4.95	-
Loss on trading in currency derivative instruments (net)	88.96	-68.73
Profit/(loss) on interest rate derivative instruments (net)	-42.00	50.88
Profit/(loss) on sale of long term investment	1,183.95	389.11
Income distribution from Fund	106.63	-
Loss on investment carried at amortised cost	-	-133.88
Share of loss in partnership firm	-1.15	-0.03
<b>Total net gain on fair value changes</b>	<b>934.70</b>	<b>509.16</b>
<b>Fair value changes:</b>		
Realised gain	3,500.95	732.78
Unrealised (loss)/gain	-2,566.25	-223.62
<b>Total net gain on fair value changes</b>	<b>934.70</b>	<b>509.16</b>
<b>39 Dividend income</b>		
Dividend on stock in trade	0.49	36.57
Dividend on long term investment	-	0.46
	<b>0.49</b>	<b>37.03</b>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency - Indian rupees in millions)

### 40. Interest income

Particulars	For the year ended 31 March 2020			For the year ended 31 March 2019		
	On financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	Interest income on financial assets classified at fair value through profit or loss	Total
Interest on loans	3,458.83	-	3,458.83	3,085.57	-	3,085.57
Interest income from investments	185.29	894.83	1,080.12	159.86	1,848.23	2,008.09
Interest on deposits with banks	99.24	-	99.24	78.10	-	78.10
Interest on margin with brokers	146.04	-	146.04	215.65	-	215.65
Other interest income	0.88	-	0.88	1.10	-	1.10
<b>Total</b>	<b>3,890.28</b>	<b>894.83</b>	<b>4,785.11</b>	<b>3,540.28</b>	<b>1,848.23</b>	<b>5,388.51</b>

for the year ended 31 March 2020 for the year ended 31 March 2019

### 41. Rental income

Rental income	263.19	231.19
	<b>263.19</b>	<b>231.19</b>

41.1 Company recovered rent from the holding company, subsidiaries, fellow subsidiaries and other external parties for occupying office premises in the Company's building.

### 42. Other income

Profit on sale of fixed assets (net)	0.35	0.55
Foreign exchange gain	-0.02	0.01
Interest on income tax refund	8.07	-
Miscellaneous income	0.66	0.39
	<b>9.06</b>	<b>0.95</b>





**ECap Equities Limited****Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

	for the year ended 31 March 2020	for the year ended 31 March 2019
<b>43 Employee benefit expenses</b>		
Salaries and wages	250.10	41.20
Contribution to provident and other funds	3.97	3.20
Expense on employee stock option scheme (ESOP)	6.76	10.15
Staff welfare expenses	6.40	17.50
Expense on Employee Stock Appreciation Rights	6.61	-
	<b>273.84</b>	<b>72.05</b>

**43.1 Employee stock option plans**

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





**ECap Equities Limited****Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

**44 Finance costs**

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	On financial liabilities measured at amortised cost	Total	On financial liabilities measured at amortised cost	Total
Interest on deposits	52.46	52.46	73.29	73.29
Interest on borrowings	1,368.96	1,368.96	1,707.19	1,707.19
Interest on debt securities	3,006.55	3,006.55	1,789.96	1,789.96
Interest on subordinated liabilities	0.33	0.33	-	-
Interest on SIBM trades	32.55	32.55	119.55	119.55
Financial and bank charges	368.05	368.05	112.76	112.76
Other interest expense	9.07	9.07	8.43	8.43
<b>Total</b>	<b>4,837.97</b>	<b>4,837.97</b>	<b>3,811.18</b>	<b>3,811.18</b>

**45 Impairment on financial instruments**

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	On financial instruments measured at amortised cost	Total	On financial instruments measured at amortised cost	Total
Loans	1,656.57	1,656.57	922.70	922.70
Trade receivables	29.72	29.72	9.98	9.98
<b>Total</b>	<b>1,686.29</b>	<b>1,686.29</b>	<b>932.68</b>	<b>932.68</b>



**ECap Equities Limited**

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

(Currency : Indian rupees in millions)

	for the year ended 31 March 2020	for the year ended 31 March 2019
<b>46 Other expenses</b>		
Advertisement and business promotion	0.23	2.09
Auditors' remuneration (refer note below)	1.81	2.35
Commission and brokerage	41.27	-1.46
Communication	5.08	5.65
Computer expenses	1.70	1.08
Computer software	7.86	8.15
Clearing and custodian charges	16.31	0.37
Dematerialisation charges	0.98	0.38
Directors' sitting fees	0.22	0.11
Donation	5.00	-
Corporate social responsibility -donation	17.00	2.50
Electricity charges	28.23	10.37
Insurance	0.01	-
Legal and professional fees	46.55	61.81
Membership and subscription	7.69	3.51
Office expenses	45.62	67.73
Postage and courier	6.59	4.11
Printing and stationery	0.38	0.29
Rates and taxes	20.15	10.56
Rating support fees	0.13	0.16
Rent (refer note 46.2 (c))	20.09	11.62
Repairs and maintenance	18.85	24.35
RQC expenses	0.04	0.66
Securities transaction tax	107.99	252.72
Goods and service tax expenses	-3.39	61.62
Stamp duty	3.16	0.11
Stock exchange expenses	1.91	0.96
Transportation charges	-0.04	0.05
Travelling and conveyance	9.09	9.98
Warehousing charges	0.01	0.35
Miscellaneous expenses	-0.20	0.05
Housekeeping and security charges	25.74	27.09
	<b>436.06</b>	<b>569.32</b>
<b>46.1 Auditors' remuneration:</b>		
As Auditors	1.74	2.19
Towards reimbursement of expenses	0.07	0.16
	<b>1.81</b>	<b>2.35</b>



**ECap Equities Limited****Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

**46.2 Other expenses****(a) Foreign currency transaction**

The Company has incurred an amount of Rs. 0.96 millions (Previous year: Rs. 0.89 millions) in foreign currency towards 'staff training expenses'. Earning in foreign exchange is Nil (Previous year: Nil).

**(b) Operating leases**

The Company has taken various premises on operating lease. Gross rental expenses for the year ended 31 March 2020 aggregated to Rs. 1.43 millions (Previous year: Rs. 1.59 millions) which has been included under the head Operating expenses – Rent.

Details of future minimum lease payments for the non-cancellable operating lease are as follows:

Particulars	31 March 2020	31 March 2019
Minimum lease payments for non cancellable lease		
- not later than one year	-	0.70
- later than one year and not later than five years	-	-
- later than five years	-	-
<b>Total</b>	<b>-</b>	<b>0.70</b>

**(c) Cost sharing:**

Edelweiss Financial Services Limited, being the 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. On the same lines, costs like rent, electricity charges incurred by the Company for the benefit of fellow subsidiaries and associate companies are recovered as reimbursement by the Company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads include reimbursements paid and are net of reimbursements received based on the management's best estimate.

**(d) 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. 16.79 millions.

(b) Amount spent during the year on:

Particulars	In cash	Yet to be paid in cash	Total
Constructions/acquisition of any assets	Nil	Nil	Nil
On purpose other than (i) above	Rs. 17.00 millions	Nil	Rs. 17.00 millions







**ECap Equities Limited**

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

(Currency: Indian Rupees in millions)

**47. Segment reporting**

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

Segment	Activities covered
Capital based business	Interest income on loans and other capital based activities
Treasury	Income from treasury operations, income from investments, interest income on debt instruments and dividend income
Agency business	Broking and referral 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 revenue, results, assets and liabilities have been prepared.

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

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Segment revenue		
I a) Capital based business	4,748.16	3,524.87
b) Agency business	187.59	177.08
c) Treasury	1,237.35	2,642.80
d) Unallocated	8.07	-
Total	6,181.17	6,344.75
Less : Inter segment revenue	-	-
<b>Total income</b>	<b>6,181.17</b>	<b>6,344.75</b>
II Segment results		
a) Capital based business	-903.72	-270.56
b) Agency business	141.92	157.99
c) Treasury	-372.45	993.64
d) Unallocated	7.98	0.69
Total	-1,126.27	880.38
<b>Profit before taxation</b>	<b>-1,126.27</b>	<b>880.38</b>
Less : Provision for taxation	-510.55	172.81
<b>Profit after taxation</b>	<b>-615.72</b>	<b>707.57</b>
III Segment assets		
a) Capital based business	25,697.43	41,812.66
b) Agency business	65.34	70.13
c) Treasury	10,019.89	17,720.60
d) Unallocated	1,601.06	1,069.18
Total	37,383.72	60,672.57
IV Segment liabilities		
a) Capital based business	24,271.80	33,717.01
b) Agency business	5.23	3.96
c) Treasury	11,788.03	23,877.34
d) Unallocated	172.56	227.64
Total	36,237.62	57,825.95
V Capital expenditure (Including capital work-in-progress)		
a) Capital based business	4.05	5.30
b) Agency business	0.16	0.11
c) Treasury	1.04	1.51
Total	5.25	6.92
VI Depreciation and amortisation		
a) Capital based business	69.79	75.28
b) Agency business	0.46	0.27
c) Treasury	3.04	3.60
Total	73.29	79.15
VII Significant non-cash expenses other than depreciation		
a) Capital based business	967.95	910.31
b) Agency business	29.78	9.75
c) Treasury	0.06	4.82
Total	997.79	924.88





# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### 48. Disclosure as required by Indian Accounting Standard 24 - Related Party Disclosure

#### i. List of related parties and relationship:

Name of related party by whom control is exercised	Edelweiss Financial Services Limited (Holding company)
Name of related parties over whom control is exercised	Edelcap Securities Limited Edelweiss Retail Finance Limited Edelweiss Finvest Private Limited Edel Investments Limited Lichen Metals Private Limited Retra Ventures Private Limited (upto 19-Mar-2020)
Fellow subsidiaries (with whom transactions have taken place)	ECL Finance Limited EC Commodity Limited Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) Edelweiss Global Wealth Management Limited Edelweiss Finance & Investments Limited Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Comtrade Limited Edelweiss Housing Finance Limited Edelgive Foundation Edelweiss Insurance Brokers Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Investment Advisors Limited Edelweiss Asset Management Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Custodial Services Limited Edelweiss Multi Strategy Fund Advisors LLP Edelweiss Multi Strategy Funds Management Private Limited (merged with Edelweiss Asset Management Limited) Edel Finance Company Ltd Allium Finance Private Limited Edelweiss Interantional (Singapore) Pte Limited Edel Land Limited Edelweiss General Insurance Company Limited Edelweiss Securities Trading and Management Private Limited (merged with Edelweiss Securities And Investments Private Limited) Edelweiss Securities And Investments Private Limited (Magnolia Commodities Services Private Limited)
Name of related parties over whom significant influence is exercised	Edelweiss Resolution Advisors LLP Edelvalue Partner (dissolved wef 26-Mar-2019) Edelweiss Value and Growth Fund Edelweiss Private Equity Tech fund EW Clover Scheme (closed wef 29-Feb-2020)
Non-Executive Directors	T.K. Ramaswamy R. Ganesan Umesh Wadhwa Chetna Malviya
Independent Directors	Bharat Bakshi Chetna Malviya



## ECap Equities Limited

### Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

#### II. Transactions with related parties:

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
	<b>Capital account transactions during the year:</b>			
1	Investment in equity shares of:	Edel Investments Limited	2,595.46	-
		Edelweiss Asset Management Limited	-	8.70
2	Investment in AIF fund of:	Edelweiss Value and Growth Fund	0.05	58.12
		Edelweiss Private Equity Tech fund	3.40	-
3	Investment in partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	1,500.00	-
4	Investment in preference shares of:	Edelcap Securities Limited	4,375.25	-
		Edel Investments Limited	300.00	-
5	Investment in optionally convertible debentures of	Retra Ventures Pvt. Limited	43.77	-
6	Issue of preference shares to	Edelweiss Rural & Corporate Services Limited	10.00	-
7	Purchase of equity shares from	Edelweiss Securities Trading and Management Pvt. Ltd.	66.31	-
		Edelweiss Securities And Investments Private Limited	66.31	-
		Edelvalue Partners	-	93.00
8	Purchase of preference shares from	Edelweiss Securities Limited	446.52	-
9	Redemption of preference shares of	Edelcap Securities Limited	2,070.00	-
10	Withdrawal of capital from partnership firm	Edelweiss Resolution Advisors LLP	0.03	-
11	Sale of equity shares to:	Edel Land Limited	829.02	-
		Edelweiss Finvest Private Limited	205.19	-
12	Sale of units of funds to	Edelweiss Finvest Private Limited	1,653.42	-
13	Sale of loans to	Edelweiss Finvest Private Limited	4,704.77	-
	<b>Current account transactions during the year</b>			
14	Short term loans taken from:	Edelweiss Rural & Corporate Services Limited	23,020.46	36,198.12
		Edelweiss Securities And Investments Private Limited	252.96	94.37
		Edelweiss Finvest Private Limited	1,005.00	-
		Edelweiss Finance & Investments Limited	599.50	-
		Edelcap Securities Limited	1,813.31	-
15	Short term loans repaid to (refer note below)	Edelweiss Rural & Corporate Services Limited	16,177.48	38,175.67
		Edelweiss Securities And Investments Private Limited	253.46	93.87
		Edelweiss Finance & Investments Limited	30.00	-
		Edelcap Securities Limited	1,368.15	-
16	Short term loans given to (refer note below)	Edelweiss Rural & Corporate Services Limited	11,920.29	11,682.87
		Edel Finance Company Limited	-	1,200.00
		Edelweiss Alternative Asset Advisors Limited	30.12	-
		Edelweiss Investment Advisors Limited	1,505.76	4,693.47
		Edelcap Securities Limited	1,875.75	7,345.02
		Edel Land Limited	4,952.31	518.51
		Edelweiss Finance & Investments Limited	4,485.00	4,566.00
		Edelweiss Securities And Investments Private Limited	2,131.87	636.70
		Edel Investments Limited	305.00	-
		Edelweiss Broking Limited	-	1,770.00
17	Long term loan given:	Edelweiss Asset Reconstruction Company Limited	-	4,800.00
18	Long term loan repaid by:	Edelweiss Asset Reconstruction Company Limited	1,610.00	3,190.00





# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### ii. Transactions with related parties (continued):

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
19	Short term loans repaid by (refer note below)	Edelweiss Rural & Corporate Services Limited Edelweiss Investment Advisors Limited Edelcap Securities Limited Edel Land Limited Edelweiss Finance & Investments Limited Edelweiss Broking Limited Edelweiss Securities And Investments Private Limited Edelweiss Alternative Asset Advisors Limited Edel Investments Limited	11,920.88 4,515.06 5,302.39 2,541.05 9,051.00 1,770.00 1,760.80 30.12 305.00	11,681.23 180.87 3,918.38 12.75 - - 501.68 - -
20	Share of loss in partnership firm	Edelweiss Multi Strategy Fund Advisors LLP Edelweiss Resolution Advisors LLP	1.14 0.00	- 0.03
21	Margins placed with (refer note below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	634.64 3,748.39	7,245.20 6,395.61
22	Margins withdrawn from (refer note below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited Edel Investments Limited	924.14 6,288.24 0.03	7,053.81 5,256.12 -
23	Inter-corporate deposits accepted from	Edelweiss Securities Limited	446.52	-
24	Security deposits accepted from	Edelweiss Housing Finance Limited ECL Finance Limited	80.00 100.00	- -
25	Security deposits placed with	Edelweiss Rural & Corporate Services Limited	100.00	-
26	Amount paid to broker for Cash segment	Edelweiss Securities Limited	79,429.10	1,51,251.60
27	Amount received from broker for Cash segment	Edelweiss Securities Limited	78,554.54	1,52,377.00
28	Purchase of commodities from	Edelweiss Rural & Corporate Services Limited	-	284.56
29	Sales of commodities to	Edelweiss Rural & Corporate Services Limited	-	516.84
30	Purchase of debt securities from	ECL Finance Limited Edelweiss Finvest Private Limited Edelweiss Finance & Investments Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Rural & Corporate Services Limited Edelweiss Housing Finance Limited	7,225.13 4,900.49 529.90 633.41 72.99 6,022.46 -	782.51 648.85 - - - 2,949.81 950.00
31	Sale of debt securities to	ECL Finance Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Finvest Private Limited Edelweiss Finance & Investments Limited Edelweiss Asset Reconstruction Company Limited Edelcap Securities Limited Edel Investments Limited Edelweiss Rural & Corporate Services Limited Edelweiss Housing Finance Limited	6,001.60 88.48 4,791.74 353.31 65.72 1,372.70 101.66 - -	1,365.64 - 98.28 - - - - 20,968.06 174.75
32	Income distribution from	EW Clover Scheme	29.60	-
33	Redemption of nifty link debentures - (SIT)	ECL Finance Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Finvest Private Limited Edelweiss Finance & Investments Limited	1,611.35 635.54 285.05 255.46	3,731.23 766.14 5,782.02 -
34	Redemption of nifty link debentures	Edelweiss Rural & Corporate Services Limited	14,814.70	984.14
35	Brokerage earned from	Edelweiss Securities Limited	0.45	0.69



# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### ii. Transactions with related parties (continued) :

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
36	Rent income from	Edelweiss Financial Services Limited	2.24	5.27
		Edelweiss Securities Limited	9.40	2.53
		Edelweiss Finance & Investments Limited	0.44	0.20
		Edelweiss Housing Finance Limited	17.55	14.50
		Edelweiss Asset Management Limited	0.69	-
		Edelweiss Insurance Brokers Limited	1.90	0.32
		Edelweiss Asset Reconstruction Company Limited	0.81	1.08
		ECL Finance Limited	19.23	21.35
		Edelweiss Global Wealth Management Limited	0.31	0.55
		Edelweiss Broking Limited	62.40	47.04
		Edelweiss Alternative Asset Advisors Limited	2.60	2.39
		Edelweiss Custodial Services Limited	1.72	1.61
		EC Commodity Limited	-	0.01
		Edelweiss Finvest Private Limited	6.34	4.73
		Edelweiss Tokio Life Insurance Company Limited	102.31	94.04
		Edelweiss Comtrade Limited	0.66	0.38
		Edelweiss Retail Finance Limited	1.02	1.79
		Edelweiss General Insurance Company Limited	14.49	7.25
		Edelvalue Partners	-	0.00
		Edelcap Securities Limited	0.69	0.59
		Edelweiss Rural & Corporate Services Limited	18.40	25.86
37	Interest income on preference shares of	Edelcap Securities Limited	185.20	-
		Edel Investments Limited	0.09	-
38	Interest income on margins placed with	Edelweiss Custodial Services Limited	143.14	149.19
		Edelweiss Securities Limited	2.90	66.46
39	Interest income on security deposits placed with	Edelweiss Rural & Corporate Services Limited	0.40	-
40	Interest income on debt instrument of	Edelweiss Finvest Private Limited	128.84	604.22
		ECL Finance Limited	314.32	793.15
		Edelweiss Housing Finance Limited	-	3.00
		Edelweiss Rural & Corporate Services Limited	101.23	19.97
		Edelweiss Asset Reconstruction Company Limited	348.37	165.77
41	Interest expenses on debt instrument of	Edelweiss Rural & Corporate Services Limited	2,449.24	746.04
42	Interest income on loans given to	Edelweiss Rural & Corporate Services Limited	409.15	324.20
		Edelweiss Finance & Investments Limited	26.13	4.59
		Edelweiss Broking Limited	75.43	1.82
		Edelweiss Alternative Asset Advisors Limited	0.32	-
		Edelweiss Asset Reconstruction Company Limited	138.86	213.66
		Edelweiss Investment Advisors Limited	568.65	124.25
		EDEL Land Limited	195.92	13.08
		Edel Finance Company Ltd	169.73	51.95
		Edelweiss Securities And Investments Private Limited	44.47	2.92
		Edelcap Securities Limited	204.81	73.55
		Edel Investments Limited	1.68	-
43	Fee income received from (exclusive of taxes)	EW Clover Scheme	-	0.37
		Edelweiss Private Equity Tech fund	-	0.05
		Edelweiss Value and Growth Fund	-	0.05



# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### II. Transactions with related parties (continued):

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
44	Cost reimbursements recovered from	Edelweiss Securities Limited	0.75	2.47
		Edelweiss Financial Services Limited	0.00	0.43
		Edelweiss Finance & Investments Limited	0.00	0.02
		Edelweiss Housing Finance Limited	0.12	1.15
		Edelcap Securities Limited	0.06	0.57
		Edelweiss Rural & Corporate Services Limited	1.26	3.19
		Edelweiss Asset Management Limited	0.28	0.00
		Edelweiss Insurance Brokers Limited	0.06	0.03
		ECL Finance Limited	0.16	2.26
		Edelweiss Global Wealth Management Limited	0.00	0.12
		Edelweiss Broking Limited	0.46	3.80
		Edelweiss Alternative Asset Advisors Limited	0.01	0.19
		Edelweiss Custodial Services Limited	0.01	0.31
		Edel Investments Limited	0.00	-
		Edelweiss Investment Advisors Limited	0.00	-
		Edelvalue Partners	-	0.00
		EC Commodity Limited	0.28	0.00
		Edel Land Limited	0.03	-
		Edelweiss Finvest Private Limited	0.02	0.41
		Edelweiss Tokio Life Insurance Company Limited	0.02	4.88
		Edelweiss Asset Reconstruction Company Limited	0.01	0.08
		Edelweiss Comtrade Limited	0.00	0.03
		Edelweiss Retail Finance Limited	0.00	0.15
		Edelgive foundation	0.00	-
		Lichen Metals Private Limited	0.00	-
		Edel Finance Company Ltd	0.00	-
		Edelweiss General Insurance Company Limited	0.16	1.68
		Allium Finance Private Limited	0.00	-
		Edelweiss Rural & Corporate Services Limited	-	6.48
		Edelweiss Securities Trading and Management Private Limited	-	0.50
		Edelweiss Securities And Investments Private Limited	1.00	0.50
45	Reimbursements received from	Edelweiss Financial Services Limited	-	27.58
46	Interest expense on loans taken from	Edelcap Securities Limited	3.14	-
		Edelweiss Finance & Investments Limited	3.12	-
		Edelweiss Finvest Private Limited	17.11	-
		Edelweiss Rural & Corporate Services Limited	91.74	554.39
		Edelweiss Securities And Investments Private Limited	5.87	0.31
47	Interest expense on inter-corporate deposits accepted from	Edelweiss Securities Limited	3.79	-
48	Interest expense on preference shares	Edelweiss Rural & Corporate Services Limited	0.33	-
49	Interest expense on security deposits accepted from	ECL Finance Limited	0.40	-
		Edelweiss Housing Finance Limited	0.32	-
50	Reimbursements paid to	Edelweiss Rural & Corporate Services Limited	0.27	14.24
		Edelweiss Financial Services Limited	4.75	-





# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### ii. Transactions with related parties (continued) :

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
51	Cost reimbursements paid to	Edelweiss Financial Services Limited	16.84	2.04
		Edelweiss Securities Limited	22.87	0.00
		Edelweiss Finance & Investments Limited	0.00	-
		Edelweiss Housing Finance Limited	0.01	-
		Edelcap Securities Limited	0.00	-
		Edelweiss Rural & Corporate Services Limited	46.48	5.76
		Edelweiss Asset Management Limited	87.98	0.04
		Edelweiss Insurance Brokers Limited	0.00	-
		ECL Finance Limited	0.02	0.56
		Edelweiss Global Wealth Management Limited	0.00	0.90
		Edelweiss Alternative Asset Advisors Limited	140.15	37.35
		Edelweiss Broking Limited	55.24	4.36
		EC Commodity Limited	0.00	-
		Edelweiss Custodial Services Limited	0.00	-
		Edelweiss Investment Advisors Limited	0.00	-
		Edel Land Limited	0.00	-
		Edelweiss Finvest Private Limited	0.00	-
		Allium Finance Private Limited	0.00	-
		Edel Investments Limited	0.00	-
		Edelweiss Asset Reconstruction Company Limited	0.00	-
		Edelweiss Tokio Life Insurance Company Limited	0.24	-
		EdelGive Foundation	0.00	-
		Lichen Metals Pvt. Ltd.	0.00	-
		Edelweiss Comtrade Limited	0.00	-
		Edel Finance Company Ltd	0.00	-
		Edelweiss Retail Finance Limited	0.00	-
		Edelweiss General Insurance Company Limited	0.01	-
52	Clearing charges paid to	Edelweiss Custodial Services Limited	13.81	0.22
53	Demat charges paid to	Edelweiss Custodial Services Limited	0.02	-
54	Brokerage paid to	Edel Investments Limited	0.07	0.00
		Edelweiss Broking Limited	1.28	-
		Edelweiss Comtrade Limited	34.82	-
		Edelweiss Securities Limited	87.24	138.48
55	Financial charges paid to	Edelweiss Asset Management Limited	26.74	-
56	Professional fees paid to	Edelweiss Rural & Corporate Services Limited	-	62.82
57	Commission paid to	Edelweiss Broking Limited	2.00	-
58	Payment to Partnership firm through current account	Edelweiss Resolution Advisors LLP	0.03	-
59	Redemption of units of venture fund	EW Clover Scheme	125.00	-
60	Rating support fees paid to	Edelweiss Financial Services Limited	0.13	0.16
61	Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited	29.08	49.29
62	Enterprise cost paid to	Edelweiss Rural & Corporate Services Limited	-	1.55
63	Interim equity dividend paid to	Edelweiss Financial Services Limited	-	24.25
64	Preference shares dividend paid to	Edelweiss Financial Services Limited	-	1.26
		Edelweiss Rural & Corporate Services Limited	-	1.26
65	Directors' sitting fees	Ravindra Ankam	-	0.10
		Bharat Bakshi	-	0.01
66	Advisory Fees Income	Edelweiss Asset Reconstruction Company Limited	12.50	-
		Edelweiss Rural & Corporate Services Limited	0.12	-
67	Donation Exps	EdelGive Foundation	16.80	0.00





# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### ii. Transactions with related parties (continued):

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
68	Remuneration paid to	Nirav Patel	-	5.11
69	Sale of Fixed Asset to	EC Commodity Limited	0.00	0.00
		ECL Finance Limited	0.00	0.00
		Edel Investments Limited	0.18	0.00
		Edel Land Limited	0.00	-
		Edelcap Securities Limited	0.01	0.03
		Edelweiss Asset Management Limited	0.00	0.01
		Edelweiss Broking Limited	0.00	0.01
		Edelweiss Securities Limited	0.01	0.03
		Edelweiss Rural & Corporate Services Limited	0.70	0.04
		Edelweiss Global Wealth Management Limited	-	4.19
		Edelweiss Asset Reconstruction Company Limited	-	0.01
		Edelweiss Financial Services Limited	-	0.01
		Edelweiss Housing Finance Limited	-	0.00
		Edelweiss Insurance Brokers Limited	-	0.52
		Edelweiss Multi Strategy Funds Management Private Limited (now merged with Edelweiss Asset Management Limited)	-	0.02
		Edelweiss Custodial Services Limited	-	0.02
70	Purchase of Fixed Asset from	Edelcap Securities Limited	0.01	0.00
		Edelweiss Housing Finance Limited	0.01	-
		Edelweiss Rural & Corporate Services Limited	0.78	0.01
		Edelweiss Securities Limited	0.01	-
<b>Balances with related parties</b>				
71	Short term loans given to (refer note below)	Edel Finance Company Ltd.	1,200.00	1,200.00
		Edelweiss Investment Advisors Limited	1,503.31	4,512.60
		Edel Land Limited	3,017.02	605.76
		Edelweiss Securities And Investments Private Limited	505.10	135.02
		Edelcap Securities Limited	-	3,426.63
		Edelweiss Broking Limited	-	1,770.00
		Edelweiss Finance & Investments Limited	-	4,566.00
		Edelweiss Rural & Corporate Services Limited	-	51.04
72	Long term loans given to (refer note below)	Edelweiss Asset Reconstruction Company Limited	-	1,610.00
73	Short term loans taken from (refer note below)	Edelcap Securities Limited	445.16	-
		Edelweiss Finance & Investments Limited	569.50	-
		Edelweiss Finvest Private Limited	1,005.00	-
		Edelweiss Rural & Corporate Services Limited	7,054.19	210.62
		Edelweiss Securities And Investments Private Limited	-	0.50
74	Inter-corporate deposits accepted from	Edelweiss Securities Limited	446.52	-
75	Stock in trade - debentures and bonds	ECL Finance Limited	342.73	111.84
		Edelweiss Finvest Private Limited	111.02	197.38
		Edelweiss Asset Reconstruction Company Limited	114.66	317.20
		Edelweiss Rural & Corporate Services Limited	4,671.42	-
76	Long term deposits receivable from	Edelweiss Rural & Corporate Services Limited	100.00	-
77	Long term deposits payable to	Edelweiss Tokio Life Insurance Company Limited	29.17	29.17
		ECL Finance Limited	100.00	-
		Edelweiss Housing Finance Limited	80.00	-
78	Subordinated liabilities	Edelweiss Rural & Corporate Services Limited	881.34	-



# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### ii. Transactions with related parties (continued)

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
79	Trade payables to	EC Commodity Limited	0.01	-
		Edelcap Securities Limited	4.28	-
		Edelweiss Securities Limited	45.06	7,667.96
		Edel Investments Limited	0.07	-
		Edelweiss Financial Services Limited	35.09	54.70
		Edel Land Limited	0.13	-
		Edelweiss Rural & Corporate Services Limited	9.69	47.53
		Edelweiss Asset Management Limited	10.45	-
		Edelweiss Alternative Asset Advisors Limited	14.10	26.13
		Edelweiss Global Wealth Management Limited	-	1.06
80	Other payable to	Edelweiss Asset Management Limited	0.00	-
		Edelweiss Broking Limited	0.08	-
		EC Commodity Limited	0.00	0.03
		ECL Finance Limited	0.00	-
		Edelcap Securities Limited	0.96	0.03
		Edelweiss Financial Services Limited	18.51	10.15
		Edel Investments Limited	0.18	0.02
		Edelweiss International (Singapore) Pte Limited	-	-
		Edel Land Limited	0.00	-
		Edelweiss Multi Strategy Fund Advisors LLP	-	-
		Edelweiss Rural & Corporate Services Limited	0.71	-
		Edelweiss Securities Limited	6.84	-
		Edelweiss Insurance Brokers Limited	-	0.35
		Edelweiss Finvest Private Limited	-	0.02
81	Other receivable from	Edelweiss Asset Management Limited	0.56	-
		Edelweiss Rural & Corporate Services Limited	-	1.73
		ECL Finance Limited	10.76	-
82	Payable to clearing house	Edelweiss Custodial Services Limited	120.92	-
83	Interest payable on loans taken from	Edelweiss Rural & Corporate Services Limited	52.76	0.26
		Edelcap Securities Limited	2.83	-
		Edelweiss Finance & Investments Limited	2.81	-
		Edelweiss Finvest Private Limited	6.25	-
		Edelweiss Securities And Investments Private Limited	-	0.19
84	Nomination deposits payable to	Edelweiss Financial Services Limited	0.10	0.10
85	Investments in equity shares of	Edelweiss Finvest Private Limited	3,767.20	3,767.20
		Edelcap Securities Limited	13.00	13.00
		Edelweiss Asset Management Limited	333.56	333.56
		Lichen Metals Private Limited	237.02	104.40
		Edel Investments Limited	2,595.46	-
		Edelweiss Asset Reconstruction Company Limited	223.21	446.43
86	Investments in preference shares of	Edelcap Securities Limited	3,864.66	1,439.68
		Edel Investments Limited	266.14	-
87	Investments in venture funds of	Edelweiss Private Equity Tech fund	263.33	150.07
		Edelweiss Value and Growth Fund	525.92	339.74
		EW Clover Scheme	-	150.00
88	Investment in partnership firm	Edelweiss Resolution Advisors LLP	0.00	0.03
89	Investment in debt instruments of	ECL Finance Limited	257.32	-
90	Partner's current account - receivable from	Edelweiss Resolution Advisors LLP	0.52	0.49
91	Partner's current account - payable to	Edelweiss Multi Strategy Fund Advisors LLP	1.14	-



# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### ii. Transactions with related parties (continued):

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
92	Trade receivables from	Edelweiss Housing Finance Limited	1.17	5.16
		Edelweiss Securities Limited	0.18	0.00
		Edelcap Securities Limited	-	0.15
		ECL Finance Limited	1.84	4.74
		Edelweiss Insurance Brokers Limited	0.04	0.12
		Edelweiss Asset Reconstruction Company Limited	0.05	0.65
		Edelweiss General Insurance Company Limited	11.04	2.98
		Edelweiss Global Wealth Management Limited	0.01	-
		Edelweiss Finance & Investments Limited	0.00	0.07
		Edelweiss Broking Limited	5.71	13.15
		Edelweiss Custodial Services Limited	0.16	3.92
		Edelweiss Finvest Private Limited	0.63	2.23
		Edelweiss Tokio Life Insurance Company Limited	20.18	47.87
		Edelweiss Comtrade Limited	0.05	0.12
		Edelweiss Retail Finance Limited	0.10	0.34
		Edelweiss Resolution Advisors LLP	0.05	-
		Edelgive Foundation	0.00	-
		Edel Finance Company Ltd	0.00	-
		Edelweiss Investment Adviser Limited	0.00	-
		Lichen Metals Private Limited	0.00	-
		Edelweiss Securities Trading and Management Private Limited	-	0.59
		Edelweiss Securities And Investments Private Limited	1.08	0.59
		Edelweiss Value and Growth Fund	-	0.06
		Edelweiss Private Equity Tech fund	-	0.06
93	Interest receivable on loans given to	Edelweiss Rural & Corporate Services Limited	0.00	81.95
		Edelweiss Finance & Investments Limited	-	4.22
		Edelcap Securities Limited	-	29.16
		Edelweiss Broking Limited	-	1.64
		Edel Finance Company Ltd	25.36	9.17
		Edelweiss Investment Advisors Limited	31.17	46.03
		Edel Land Limited	34.94	6.22
		Edelweiss Asset Reconstruction Company Limited	-	17.84
		Edelweiss Securities And Investments Private Limited	3.42	0.80
94	Interest receivable on margins placed with	Edelweiss Securities Limited	0.33	-
		Edelweiss Custodial Services Limited	15.78	-
95	Margins placed with	Edelweiss Securities Limited	0.14	289.64
		Edelweiss Custodial Services Limited	-	2,418.93

0.00 represents amount less than Rs 5,000

#### Notes

- 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.
- Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee. Loans have been given for general business purpose.
- The Hon'ble Regional Director, South East Region, Hyderabad vide Order dated 22 November 2019 has confirmed (approved /sanctioned) the Scheme of Amalgamation of Edelweiss Holdings Limited, (Transferor Company No. 1), Edelweiss Trustee Services Limited (Transferor Company No. 2) and Alternative Investment Market Advisors Private Limited (Transferor Company No. 3) with ECap Equities Limited (Transferee Company / the Company) having 01 April 2018 as the appointed date (the Scheme) under Section 233 of the Companies Act, 2013. The Order confirming the Scheme has been filed by the Company with the Registrar of Companies, Hyderabad on 29 November 2019 and therefore is effective from 29 November 2019. Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged entity are considered to be transacted with ECap Equities Limited and disclosed accordingly.
- Interest income on preference shares is reported as part of Ind AS Compliance.







## ECap Equities Limited

### Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

#### 49 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	31 March 2020	31 March 2019
(a) Profit after tax (as per statement of profit and loss)	-615.72	707.58
Less: dividend on preference share capital	-	-
Net profit for the year attributable to equity shareholders	-615.72	707.58
(b) Calculation of weighted average number of equity Shares of Rs. 10 each		
Number of shares outstanding at the beginning of the year	740,000	740,000
Number of Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	740,000	740,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	740,000	740,000
(c) Basic and diluted earnings per share (in rupees) (a)/(b)	(832.05)	956.20

#### 50 Contingent liabilities and commitments

##### Contingent liabilities

The Company has pending taxation matters of Rs. 0.09 millions as at balance sheet date (Previous year: Rs. 2.25 millions).

##### Commitments

The Company has capital commitments of Rs. 0.23 millions towards fixed assets as at the balance sheet date (Previous year: Rs. 0.68 millions)

Company has capital commitment towards undrawn commitments for Alternative Investment Funds (refer note 53 D)

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

#### 51 Approach to capital management

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

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

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

Particulars	31 March 2020	31 March 2019
Total Debt	32,880.34	47,665.06
Equity	1,146.11	2,846.62
Net Debt to Equity	28.69	16.74



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 52. Risk Management

##### 52.1. Introduction and risk profile

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

The Company provides various financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. The Company's products and services span multiple asset classes and consumer segments across different locations. The Company's key lines of business can broadly be classified as below:

- o Corporate Credit
- o Capital Markets

The Company's diversified business acts as an inherent risk management mechanism. However, the prevailing market environment exposes the Company to various risks like credit, market, liquidity, compliance, technology amongst others. As the Company is regulated various regulators in the financial industry - from SEBI to Stock exchanges, it also exposes it to regulatory and reputation risks.

##### 52.2. Risk management strategy

The strategy at an execution level is supported by:-

1. Four-tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Group is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Defined exposure limits and thresholds for businesses to operate
5. Well-defined Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
6. Adequate segregation of duties to ensure multi-layered checks and balances
7. Exception reporting framework to ensure process and policy deviations are adequately addressed

##### 52.3. Risk management structure

To support the risk strategy and effective risk management, the Company have the "Four-lined risk management structure" to ensure that there are enough defences available to control all types of risk issues. The risk structure is enumerated below:

1. **Three lines of defense** - for accountability, oversight, and assurance:
  - o **Respective Businesses and Business Risk teams** - the first line of defense own and manage the risks and are responsible for implementation of the risk management framework
  - o **Group risk** - the second line of defense and is responsible for overseeing the risk and defining the risk management framework
  - o **Corporate Controller and audit** - the third line of defense to provide independent assurance of risk management framework implementation
2. **Board and Executive level Committees** - for overseeing the risk management. The current Risk Management Committees are:
  - o Board Risk Committee
  - o Global Risk Committee
  - o Enterprise Risk Management Council
  - o Investment and Credit Committee

The Board Risk Committee is the overseeing body for Risk Management at the Group level. The Committee meets on regular interval to review the risk profile of the Company.

The Enterprise Risk Management (ERM) Council and the Global Risk Committee serve as the Apex Risk bodies of the Company. The constituents include Chairman & CEO, Executive Directors and Group Heads of Finance, Compliance, Technology, Risk, Corporate Services as its core members. The Committee meets regularly to identify, evaluate and mitigate potential extreme risks and take risk management decisions in relation to strategic matters.

The Investment and Credit Committee serve as the Apex bodies of the Company for all credit related decisions. Respective businesses has formulated its own Investment and Credit Committees depending upon the exposure scale.



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### Risk management framework

The Company has a Risk Framework, which describes the risk management approach and provides clear accountability for managing risk across the Company. The framework is subject to continuous evaluation based on existing internal as well external environment.

The current "Eleven risk framework" covers the following vectors of risks

- o Business Risk
- o Credit Risk
- o Market Risk
- o Liquidity Risk
- o Regulatory Risk
- o Reputation Risk
- o Technology Risk
- o Operational and Process Risk
- o Fraud Risk
- o People Risk
- o Physical and Infrastructure Risk

The Company uses different types of tools and techniques for mitigating risk, depending upon the type of risk and quantum. For example:

- o Financial risks are mitigated through thorough counterparty, client assessment before any exposure is taken, and defined product/program level risk limits to ensure exposure does not exceed risk appetite. Committee based approval mechanism is adopted to ensure high exposures are approved with adequate representation and there is no bias in approvals.
- o Non-financial risks viz. technology, operational, fraud, etc are mitigated through process documentation defining clear ownership for each activity, having adequate system/process level controls like maker-checker, reconciliation, testing and reviews.
- o Enterprise level risks viz. regulation, compliance, regulatory, etc are controlled through policies and framework, educating employees through training and risk socialisation sessions.

#### 52.4. Excessive risk concentration

Company's diversified business model acts as an inherent mechanism to avoid excessive concentrations of risk.

Business risk team monitors borrower limits as part of its regular monitoring activity. Additionally, the risk team also keeps track of Group, Industry, Collateral, Geography (for retail) level exposure concentrations. These concentrations are reviewed as part of monthly risk review meetings and also discussed in the Credit Committee, so as to avoid further exposures or reduce exposures to sector/industry/group/geography under stress.

On the trading portfolio, limit structures have been put in place to address potential concentration risks within each trading portfolio. Any exposure beyond the approved limits and losses exceeding the VaR limits gets reported as an exception to the Global Risk Committee and is monitored by the group and business risk teams.

The Company has a Board approved Risk Management Policy.





**ECap Equities Limited**

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

**52.5. Loans at amortised cost**

Gross carrying amount of loan assets allocated to Stage I, Stage II, Stage III :

Particulars	31 March 2020				31 March 2019			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>Loans (at amortised cost)</b>								
<b>Performing</b>								
High grade	8,955.23	-	-	8,955.23	29,767.87	-	-	29,767.87
Standard grade	-	1,000.41	-	1,000.41	51.47	3,263.96	-	3,315.43
Substandard grade	-	-	-	-	-	-	1,360.83	1,360.83
<b>Non-performing</b>								
Impaired	-	-	2,665.31	2,665.31	-	-	840.43	840.43
<b>Total</b>	<b>8,955.23</b>	<b>1,000.41</b>	<b>2,665.31</b>	<b>12,620.95</b>	<b>29,819.34</b>	<b>3,263.96</b>	<b>2,201.26</b>	<b>35,284.56</b>

Reconciliation of changes in gross carrying amount of loan assets and allowances for expected credit loss

Particulars	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
As at 1 April 2019	29,819.34	125.71	3,263.96	103.75	2,201.26	1,127.56	35,284.56	1,357.02
Transfers:	-2,679.32	-6.58	448.14	-9.35	2,231.19	15.93	0.01	-
Transfers to 12 Month ECL (Stage I)	1,038.94	-6.58	1,038.94	6.58	-	-	-	-
Transfers to lifetime ECL (Stage II)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired	-1,640.38	-	-590.80	-15.93	2,231.19	15.93	-	-
Net new and further lending/ repayments	-15,763.35	17.57	138.93	-1.07	-69.22	34.11	-15,693.64	50.61
Remeasurement of ECL	-	-39.90	-	134.22	-	272.71	-	367.03
Sale of Loans	-2,350.85	-33.16	-2,850.62	-87.00	-350.91	-130.07	-5,552.38	-250.23
Loans written off	-70.59	-47.54	-	-	-1,347.01	-562.89	-1,417.60	-610.43
As at 31 March 2020	8,955.23	16.10	1,000.41	140.55	2,665.31	757.35	12,620.95	914.00







## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 53 Remaining contractual maturities

##### A. Analysis of non-derivative financial liabilities by remaining contractual maturities

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

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

As at 31 March 2020	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Trade payables	163.52	-	-	-	163.52
Debt securities	3,854.10	6,378.87	9,467.28	384.55	20,084.80
Borrowings (other than debt securities)	9,246.22	52.50	-	-	9,298.72
Deposits	2,615.49	-	-	-	2,615.49
Subordinated financial liabilities	-	881.34	-	-	881.34
Other financial liabilities	149.98	-	33.24	209.17	392.39
<b>Total undiscounted non-derivative financial liabilities</b>	<b>16,029.31</b>	<b>7,312.71</b>	<b>9,500.52</b>	<b>593.72</b>	<b>33,436.26</b>

As at 31 March 2019	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Trade payables	7,865.84	-	-	-	7,865.84
Debt securities	8,593.61	10,616.37	9,991.95	1,473.50	30,675.42
Borrowings (other than debt securities)	14,787.06	631.12	181.08	-	15,599.26
Deposits	1,390.38	-	-	-	1,390.38
Other financial liabilities	1,218.12	-	15.60	59.28	1,293.00
<b>Total undiscounted non-derivative financial liabilities</b>	<b>33,855.00</b>	<b>11,247.49</b>	<b>10,188.63</b>	<b>1,532.78</b>	<b>56,823.90</b>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 53 Remaining contractual maturities

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

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

As at 31 March 2020	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Cash and cash equivalent and other bank balances	470.52	-	-	-	470.52
Stock in trade	5,842.42	-	-	-	5,842.42
Trade receivables	103.77	-	-	-	103.77
Loans	7,661.71	3,185.79	859.45	-	11,706.95
Investments at fair value through profit or loss	-	-	-	2,474.45	2,474.45
Investments at cost	-	-	-	7,716.90	7,716.90
Investments at amortised cost	-	-	-	4,388.11	4,388.11
Other financial assets	27.85	-	2.94	100.00	130.79
<b>Total</b>	<b>14,106.27</b>	<b>3,185.79</b>	<b>862.39</b>	<b>14,679.46</b>	<b>32,833.91</b>

Apart from the above mentioned assets, the Company also has undrawn loan commitments amounting to Rs. Nil/- as on 31 March 2020.

As at 31 March 2019	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Cash and cash equivalent and other bank balances	536.96	50.01	-	-	586.97
Stock-in-trade	3,064.17	-	-	-	3,064.17
Trade receivables	7,906.00	-	-	-	7,906.00
Loans	21,377.57	3,914.87	5,613.30	3,021.77	33,927.51
Investments at fair value through profit or loss	-	-	-	4,301.22	4,301.22
Investments at cost	-	-	-	4,703.40	4,703.40
Investments at amortised cost	-	-	1,439.68	-	1,439.68
Other financial assets	2,710.85	-	2.81	-	2,713.66
<b>Total</b>	<b>35,595.55</b>	<b>3,964.88</b>	<b>7,055.79</b>	<b>12,026.39</b>	<b>58,642.61</b>

Apart from the above mentioned assets, the Company also has undrawn loan commitments amounting to Rs. 250 millions as on 31 March 2019.

#### C. Maturity analysis for derivatives:

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

As at 31 March 2020	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Net settled derivatives entered into for trading purposes	-738.76	-	-	-	-738.76
Other net settled derivatives (other than those entered into for trading purposes)	-456.09	46.86	978.97	4.14	563.88
<b>Total</b>	<b>-1,204.85</b>	<b>46.86</b>	<b>978.97</b>	<b>4.14</b>	<b>-174.88</b>

As at 31 March 2019	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Net settled derivatives entered into for trading purposes	288.61	-	-	-	288.61
Other net settled derivatives (other than those entered into for trading purposes)	-192.82	-316.87	-68.41	35.30	-542.80
<b>Total</b>	<b>95.79</b>	<b>-316.87</b>	<b>-68.41</b>	<b>35.30</b>	<b>-254.19</b>



**ECap Equities Limited****Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

**53. Remaining contractual maturities****D.** The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments:

As at 31 March 2020	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Undrawn commitments for AIF funds	202.18	-	-	-	202.18
Undrawn commitments for AIF funds - Group	672.17	-	-	-	672.17
<b>Total</b>	<b>874.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>874.35</b>

As at 31 March 2019	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Undrawn commitments for AIF funds	3,080.40	-	-	-	3,080.40
Undrawn commitments for AIF funds - Group	363.87	-	-	-	363.87
<b>Total</b>	<b>3,444.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,444.27</b>





## ECap Equities Limited

### Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

#### 54 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

#### (i) Interest rate risk

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

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

Currency of borrowing / advances	2019-20					
	Increase in IRF rate (%)	Effect on profit before tax	Effect on Equity	Decrease in IRF rate (%)	Effect on profit before tax	Effect on Equity
INR	5	-	-	5	-	-

Currency of borrowing / advances	2018-19					
	Increase in IRF rate (%)	Effect on profit before tax	Effect on Equity	Decrease in IRF rate (%)	Effect on profit before tax	Effect on Equity
INR	5	4.58	-	5	-4.58	-

#### (ii) Currency risk

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

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

Currency	2019-20					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	-	-	5	-	-

Currency	2018-19					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	90.01	-	5	-90.01	-

#### (iii) Equity price risk

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

Impact on	2019-20					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	9.00	-	5	-9.00	-
Short Sales - SLBM	5	-	-	5	-	-
Equity/ETF	5	89.08	-	5	-89.08	-
Mutual Fund	5	2.20	-	5	-2.20	-
Debt securities	5	0.95	-	5	-0.95	-
Nifty link debenture	5	3.77	-	5	-3.77	-
AIF Funds	5	61.65	-	5	-61.65	-



# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### 54 Market risk

#### (iii) Equity price risk (continued)

Impact on	2018-19					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	69.17	-	5	-69.17	-
Short Sales - SLBM	5	-59.12	-	5	59.12	-
Equity/ETF	5	110.34	-	5	-110.34	-
Mutual Fund	5	65.87	-	5	-65.87	-
Debt securities	5	0.65	-	5	-0.66	-
Nifty link debenture	5	3.88	-	5	-3.88	-
AIF Funds	5	101.00	-	5	-101.00	-

#### (iv) Index price risk

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

Impact on	2019-20					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	-173.24	-	5	173.24	-
Embedded derivatives (Nifty-linked debentures)	5	-28.19	-	5	-28.19	-

Impact on	2018-19					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	-16.72	-	5	16.72	-
Embedded derivatives (Nifty-linked debentures)	5	-27.14	-	5	27.14	-



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 55 Total market risk exposure

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

Particulars	31 March 2020			31 March 2019		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cashequivalent and other bank balances	470.52	-	470.52	586.97	-	586.97
Derivative financial instruments	2,440.08	2,440.08	-	672.34	672.34	-
Financial assets at FVTPL	8,316.87	8,316.87	-	7,365.39	7,365.39	-
Loans	11,706.95	-	11,706.95	33,927.51	-	33,927.51
Trade receivables	103.77	-	103.77	7,906.00	-	7,906.00
Investments at cost	7,716.90	-	7,716.90	4,703.40	-	4,703.40
Financial investments- amortised cost	4,388.11	-	4,388.11	1,439.68	-	1,439.68
Other financial assets	130.79	-	130.79	2,554.48	2,549.37	5.11
<b>Total</b>	<b>35,273.99</b>	<b>10,756.95</b>	<b>24,517.04</b>	<b>59,155.77</b>	<b>10,587.10</b>	<b>48,568.67</b>

Particulars	31 March 2020			31 March 2019		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Liability</b>						
Borrowings (other than debt Securities)	9,298.71	-	9,298.71	15,599.26	-	15,599.28
Derivative financial instruments	2,614.96	2,614.96	-	767.34	767.34	-
Deposits	2,615.49	-	2,615.49	1,390.38	-	1,390.38
Debt securities	20,084.80	-	20,084.80	30,675.42	-	30,675.42
Trade payables	163.52	-	163.52	7,865.84	-	7,865.84
Subordinated liabilities	881.34	-	881.34	-	-	-
Other liabilities	392.39	120.77	271.61	1,293.00	1,182.36	110.64
<b>Total</b>	<b>36,051.22</b>	<b>2,735.74</b>	<b>33,315.48</b>	<b>57,591.24</b>	<b>1,949.70</b>	<b>55,641.54</b>



# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### 56 Disclosure related to collateral:

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

31 March 2020	Pledge as collateral	others 1*	Available as collateral	others 2**	Total carrying amount
Cash and cash equivalent including bank balance				470.52	470.52
Stock in trade	5,078.37	764.05	-	-	5,842.42
Trade receivables				103.77	103.77
Derivative assets				2,440.08	2,440.08
loans		11,706.95			11,706.95
Investments	1,283.74	13,295.73			14,579.47
Other financial assets				130.79	130.79
Current tax assets (net)				196.39	196.39
Deferred tax assets (net)				824.81	824.81
Investment property	843.39				843.39
Property, plant and equipment			30.15		30.15
Capital work in progress					
Goodwill				60.94	60.94
Other intangible assets				23.24	23.24
Other non-financial assets				130.80	130.80
<b>Total assets</b>	<b>7,205.50</b>	<b>25,766.73</b>	<b>30.15</b>	<b>4,381.34</b>	<b>37,383.72</b>

31 March 2019	Pledge as collateral	others 1*	Available as collateral	others 2**	Total carrying amount
Cash and cash equivalent including bank balance	50.00			536.97	586.97
Stock in trade	55.46	3,008.71			3,064.17
Trade receivables				7,906.00	7,906.00
Derivative assets				672.34	672.34
loans		33,927.51			33,927.51
Investments	905.86	9,538.44			10,444.30
Other financial assets	2,549.38			5.10	2,554.48
Current tax assets (net)				217.49	217.49
Deferred tax assets (net)				206.20	206.20
Investment property	887.77				887.77
Property, plant and equipment			44.28		44.28
Capital work in progress				30.36	30.36
Goodwill				60.94	60.94
Other intangible assets				2.22	2.22
Other non-financial assets				67.54	67.54
<b>Total assets</b>	<b>4,448.47</b>	<b>46,474.66</b>	<b>44.28</b>	<b>9,705.16</b>	<b>60,672.57</b>

\* (Represents assets which are not pledged but are kept for asset security cover towards debentures issued and Company believes it is restricted from using to secure funding for legal or other reason)

\*\* (Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business)





## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 57 Fair values of financial instruments

##### (a) Fair values of assets and liabilities

Particulars	31 March 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments (assets):</b>				
Exchange-traded derivatives	499.36	827.51	-	1,326.87
Embedded derivative assets in market-linked debentures	-	-	1,147.86	1,147.86
<b>Total derivative financial instruments (assets)</b>	<b>499.36</b>	<b>827.51</b>	<b>1,147.86</b>	<b>2,474.73</b>
<b>Stock-in-trade</b>				
Other debt securities and preference shares	-	-	-	-
Other debt securities and preference shares - Group	4,732.19	-	112.31	4,844.50
Market-linked debentures	-	-	395.34	395.34
Mutual fund units	84.90	-	-	84.90
Equity instruments	517.68	-	-	517.68
<b>Total stock-in-trade</b>	<b>5,334.77</b>	<b>-</b>	<b>507.65</b>	<b>5,842.42</b>
<b>Investments</b>				
Units of Alternative Investment Funds	-	-	1,233.05	1,233.05
Equity instruments	7.22	1,048.53	185.66	1,241.41
<b>Total investments measured at fair value</b>	<b>7.22</b>	<b>1,048.53</b>	<b>1,418.71</b>	<b>2,474.46</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>5,841.35</b>	<b>1,876.04</b>	<b>3,074.22</b>	<b>10,791.61</b>

Particulars	31 March 2020			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value on a recurring basis -</b>				
Exchange-traded derivatives	210.89	1,937.35	-	2,148.24
Embedded derivatives in market-linked debentures	-	-	583.98	583.98
<b>Total derivative financial instruments (liabilities)</b>	<b>210.89</b>	<b>1,937.35</b>	<b>583.98</b>	<b>2,732.22</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Provision for short sale - SLBM trading	-	-	-	-
<b>Total financial liabilities at FVTPL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial liabilities measured at fair value on a recurring basis</b>	<b>210.89</b>	<b>1,937.35</b>	<b>583.98</b>	<b>2,732.22</b>

#### Fair valuation techniques:

##### (i) Debt securities

Whilst most of these instruments are standard fixed or floating rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

##### (ii) Equity instruments and units of Alternative Investment Funds

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

##### (iii) Derivatives

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

##### (iv) Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including data available from exchanges, dealers, brokers. Company classify these embedded derivative as level 3 instruments.



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 57 Fair values of financial instruments (continued)

#### (a) Fair values of assets and liabilities (continued)

Particulars	31 March 2019			Total
	Level 1	Level 2	Level 3	
<b>Assets measured at fair value on a recurring basis</b>				
Exchange-traded derivatives	496.68	-	-	496.68
Embedded derivative assets in market-linked debentures	-	-	224.54	224.54
<b>Total derivative financial instruments (assets)</b>	<b>496.68</b>	<b>-</b>	<b>224.54</b>	<b>721.22</b>
<b>Stock-in-trade</b>				
Other debt securities and preference shares	96.01	-	-	96.01
Other debt securities and preference shares Group	-	-	308.77	308.77
Market-linked debentures	-	-	309.22	309.22
Mutual fund units	1,495.78	-	-	1,495.78
Equity instruments	854.37	-	-	854.37
<b>Total stock-in-trade</b>	<b>2,446.16</b>	<b>-</b>	<b>617.99</b>	<b>3,064.15</b>
<b>Investments</b>				
Units of Alternative Investment Funds	-	-	2,685.98	2,685.98
Equity instruments	22.41	905.86	686.94	1,615.21
<b>Total investments measured at fair value</b>	<b>22.41</b>	<b>905.86</b>	<b>3,372.92</b>	<b>4,301.19</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>2,965.25</b>	<b>905.86</b>	<b>4,215.45</b>	<b>8,086.56</b>

Particulars	31 March 2019			Total
	Level 1	Level 2	Level 3	
<b>Liabilities measured at fair value on a recurring basis -</b>				
Exchange-traded derivatives	174.63	-	-	174.63
Embedded derivatives in market-linked debentures	-	-	767.34	767.34
<b>Total derivative financial instruments (liabilities)</b>	<b>174.63</b>	<b>-</b>	<b>767.34</b>	<b>941.97</b>
<b>Financial liabilities at fair value through profit or loss -</b>				
Provision for short sale - SLBM trading	1,182.36	-	-	1,182.36
<b>Total financial liabilities at FVTPL</b>	<b>1,182.36</b>	<b>-</b>	<b>-</b>	<b>1,182.36</b>
<b>Total financial liabilities measured at fair value on a recurring basis</b>	<b>1,356.99</b>	<b>-</b>	<b>767.34</b>	<b>2,124.33</b>



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 57 Fair values of financial instruments (continued)

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

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Particulars	Stock in trade - Other debt securities and preference shares	Stock in trade - Nifty linked debentures	Embedded derivative in market-linked debentures	Investments in units of AIF	Investments in unquoted equity shares categorised at Level 3	Total
<b>At 1 April 2019</b>	<b>308.78</b>	<b>309.23</b>	<b>-542.81</b>	<b>2,686.02</b>	<b>686.94</b>	<b>3,448.16</b>
Purchase	-	13,291.12	-	100.74	182.07	13,573.93
Sales	-	-12,718.17	-	-1,146.77	-672.40	-14,537.34
Issuances	-	-	-199.00	-	-	-199.00
Settlements	-196.48	-	504.23	-626.51	-	-318.76
Gains / (losses) for the period (2019-20) recognised in profit or loss	-	-486.84	801.46	219.57	-10.95	523.24
<b>At 31 March 2020</b>	<b>112.30</b>	<b>395.34</b>	<b>563.88</b>	<b>1,233.05</b>	<b>185.66</b>	<b>2,490.23</b>
Unrealised gains / (losses) related to balances held at the end of the period	-	10.23	801.46	171.17	-14.80	968.06

Particulars	Stock in trade - Other debt securities and preference shares	Stock in trade - Nifty linked debentures	Embedded derivative in market-linked debentures	Investments in units of AIF	Investments in unquoted equity shares categorised at Level 3	Total
<b>At 1 April 2018</b>	<b>397.61</b>	<b>3,831.36</b>	<b>-204.09</b>	<b>1,368.26</b>	<b>519.89</b>	<b>5,913.03</b>
Purchase	-	7,509.85	-	1,467.95	-	8,977.80
Sales	-78.00	-9,666.58	-	-	-150.96	-9,895.54
Issuances	-	-	-550.55	-	-	-550.55
Settlements	0.04	-	259.38	-206.27	-	53.15
Gains / (losses) for the period (2018-19) recognised in profit or loss	-10.87	-1,365.40	-47.55	56.08	318.01	-1,049.73
<b>At 31 March 2019</b>	<b>308.78</b>	<b>309.23</b>	<b>-542.81</b>	<b>2,686.02</b>	<b>686.94</b>	<b>3,448.16</b>
Unrealised gains / (losses) related to balances held at the end of the period	-10.87	-1,365.40	-47.55	56.08	316.98	-1,050.76







## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 57 Fair values of financial instruments (continued)

##### (c) Unobservable inputs used in measuring fair value categorised within Level 3 :

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

Type of financial instruments	Fair value of asset as on 31 March 2020	Fair value of liability as on 31 March 2020	Valuation techniques	Significant unobservable input	Range of estimates (weighted average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Stock-in-trade	112.31	-	Discounted cash flow	Expected future cash flows	Rs. 630,769 per NCD	5%	-	5%	-
				Discount rate	12%	0.5%	-	0.5%	-
Stock in trade - Nifty linked debentures	395.34	-	Fair value of index	Price per debenture	Rs. 102,078 to 135,714 per debenture	5%	3.77	5%	-3.77
Embedded derivative in market-linked debentures	1,147.88	563.89	Fair value of index	Index levels		5%	28.19	5%	-28.19
Investments in units of AIF	1,233.05	-	Net assets approach	Fair value of underlying investments	Rs. 984 to 240,319 per Unit	5%	61.65	5%	-61.65
Investments in unquoted equity shares categorised at Level 3	185.66	-	Comparable transaction and P/E	Fair value per share	Rs. 5 to 8,106 per unit	5%	8.36	5%	-8.36
<b>Total</b>	<b>3,074.23</b>	<b>563.89</b>					<b>101.98</b>		<b>-101.98</b>

Type of financial instruments	Fair value of asset as on 31 March 2019	Fair value of liability as on 31 March 2019	Valuation techniques	Significant unobservable input	Range of estimates (weighted average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Stock-in-trade	308.79	-	Discounted cash flow	Expected future cash flows	Rs. 1,734,750 per NCD	5%	18.78	5%	-18.78
				Discount rate	12%	0.5%	-0.41	0.5%	0.41
Stock in trade - Nifty linked debentures	309.23	-	Fair value of index	Price per debenture	Rs. 113,918 to 149,569 per debenture	5%	15.46	5%	-15.46
Embedded derivative in market-linked debentures		542.80	Fair value of index	Index levels		5%	-27.14	5%	27.14
Investments in units of AIF	2,686.00	-	Net assets approach	Fair value of underlying investments	Rs. 145 to 141,337 per Unit	5%	134.30	5%	-134.30
Investments in unquoted equity shares categorised at Level 3	686.94	-	Comparable transaction and P/E	Fair value per share	Rs. 1 to 42,083 per share	5%	34.35	5%	-34.35
<b>Total</b>	<b>3,990.96</b>	<b>542.80</b>					<b>175.34</b>		<b>-175.34</b>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 57. Fair values of financial instruments (continued)

#### (d) Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Particulars	31 March 2020				
	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and cash equivalent	470.52	470.52	470.52	-	-
Bank balances other than cash and cash equivalent	-	-	-	-	-
Trade receivables	103.77	103.77	-	103.77	-
Loans - credit substitute	4,430.97	4,430.97	-	4,430.97	-
Loans	7,275.98	7,275.98	-	7,275.98	-
Investments at amortised cost	4,388.11	4,388.11	-	4,388.11	-
Investments at cost	7,716.90	7,716.90	-	7,716.90	-
Other financial assets	130.79	130.79	-	130.79	-
<b>Total</b>	<b>24,517.04</b>	<b>24,517.04</b>	<b>470.52</b>	<b>24,046.52</b>	<b>-</b>
<b>Financial liabilities:</b>					
Trade payables	163.52	163.52	-	163.52	-
Debt securities	20,084.80	20,084.80	-	20,084.80	-
Borrowing (other than debt securities)	9,298.71	9,298.71	-	9,298.71	-
Deposits	2,615.49	2,615.49	-	2,615.49	-
Subordinated liabilities	881.34	881.34	-	881.34	-
Other financial liabilities	392.39	392.39	-	392.39	-
<b>Total</b>	<b>33,436.25</b>	<b>33,436.25</b>	<b>-</b>	<b>33,436.25</b>	<b>-</b>

Particulars	31 March 2019				
	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and cash equivalent	385.18	385.18	385.18	-	-
Bank balances other than cash and cash equivalent	201.79	201.79	201.79	-	-
Trade receivables	7,906.00	7,906.00	-	7,906.00	-
Loans - credit substitute	9,303.84	9,303.84	-	9,303.84	-
Loans	24,623.67	24,623.67	-	24,623.67	-
Investments at amortised cost	1,439.68	1,439.68	-	1,439.68	-
Investments at cost - Group	4,703.40	4,703.40	-	4,703.40	-
Other financial assets	2,554.48	2,554.48	2,549.37	5.11	-
<b>Total</b>	<b>51,118.04</b>	<b>51,118.04</b>	<b>3,136.34</b>	<b>47,981.70</b>	<b>-</b>
<b>Financial liabilities:</b>					
Trade payables	7,865.84	7,865.84	-	7,865.84	-
Debt securities	30,675.42	30,675.42	-	30,675.42	-
Borrowing (other than debt securities)	15,599.26	15,599.26	-	15,599.26	-
Deposits	1,390.38	1,390.38	-	1,390.38	-
Other financial liabilities	110.64	110.64	-	110.64	-
<b>Total</b>	<b>55,641.54</b>	<b>55,641.54</b>	<b>-</b>	<b>55,641.54</b>	<b>-</b>



## ECap Equities Limited

### Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

#### 58 Disclosure pursuant to IND AS 19 - Employee benefits

##### (a) Defined contribution plan (provident fund)

Amount of Rs. 0.40 mio (Previous year: Rs. 0.38 mio) is recognised as expenses and included in "Employee benefit" – Note 43 in the statement of profit and loss.

##### (b) Defined benefit plan (gratuity):

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

#### Statement of profit and loss of the year:

##### Net employee benefit expenses (recognised in employee cost):

	31 March 2020	31 March 2019
Current service cost	1.09	1.21
Interest on defined benefit obligation	0.65	0.59
Past service cost	-	-
Actuarial loss/(gain)	-	-
<b>Total included in employee benefit expenses</b>	<b>1.74</b>	<b>1.81</b>

#### Balance sheet:

##### Details of provision for gratuity:

	31 March 2020	31 March 2019
Liability at the end of the year	10.49	9.05
Amount in balance sheet	10.49	9.05

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

	31 March 2020	31 March 2019
Liability at the beginning of the year	9.05	6.71
Transfer in/(out)	0.18	1.41
Interest cost	0.65	0.59
Current service cost	1.09	1.21
Benefits paid	-0.78	-
Re-measurement	0.30	-
Actuarial (gain)/loss on obligations	-	-0.87
<b>Liability at the end of the year</b>	<b>10.49</b>	<b>9.05</b>

Non-current liability at the end of the year	8.97	7.79
Current liability at the end of the year	1.52	1.26

##### Amount recognised in the balance sheet:

	For the year ended	For the year ended
	31 March 2020	31 March 2019
Liability at the end of the year	10.49	9.05
Fair value of plan assets at the end of year	-	-
<b>Amount recognized in balance sheet</b>	<b>10.49</b>	<b>9.05</b>

##### Experience adjustment:

	For the year ended	For the year ended
	31 March 2020	31 March 2019
On plan liabilities (gain)/loss	-0.31	-1.02
On plan assets (gain)/loss	-	-
Estimated contribution for next year	-0.31	-1.02

##### Principle actuarial assumptions at the balance sheet date:

	31 March 2020	31 March 2019
Discount rate current	5.90%	7.00%
Salary escalation current	7.00%	7.00%
Employees attrition rate	13%-25%	13%-25%
Expected return on plan assets	7.00%	7.30%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)



## ECap Equities Limited

### Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

#### 58 Disclosure pursuant to IND AS 19 - Employee benefits (continued)

##### Movement in other comprehensive income

	31 March 2020	31 March 2019
Balance at start of year (Loss)/ Gain	0.87	Nil
<b>Re-measurements on defined benefit obligation</b>		
a) Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b) Actuarial Loss/(Gain) from changed in financials assumptions	-0.61	-0.15
c) Actuarial Loss/(Gain) from experience over last past year	0.32	-1.02
<b>Re-measurements on plan assets</b>		
Interest on the net defined benefit liability / (asset)	-	-
Balance at end of year (Loss)/ Gain	0.58	0.87

##### Sensitivity analysis:

DBO increases/ (decreases) by	31 March 2020	31 March 2019
1% Increase in Salary Growth Rate	0.46	0.48
1% Decrease in Salary Growth Rate	-0.42	-0.44
1% Increase in Discount Rate	-0.42	-0.44
1% Decrease in Discount Rate	0.47	0.48
1% Increase in Withdrawal Rate	-0.02	-0.04
1% Decrease in Withdrawal Rate	0.03	0.04
Mortality (increase in expected lifetime by 1 year)	Negligible change	Negligible change
Mortality (increase in expected lifetime by 3 years)	1	Negligible change

##### Movement in surplus / (deficit)

	31 March 2020	31 March 2019
Surplus / (Deficit) at start of year	-9.05	-6.71
Net (Acquisition) / Divestiture	-	-
Net Transfer (In)/ Out	-0.18	-1.41
Movement during the year:		
Current Service Cost	-1.09	-1.21
Benefits Paid	0.78	-
Past Service Cost	-	-
Net Interest on net DBO	-0.65	-0.59
Changes in foreign exchange rate	-	-
Re-measurements	-0.30	0.87
Contributions / Benefits	-	-
Surplus / (Deficit) at end of year	-10.49	-9.05





## ECap Equities Limited

### Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

#### 59. Collateral held and other credit enhancements

- i. The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also show the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

	31 March 2020	Principal type of collateral	31 March 2019	Principal type of collateral
	Maximum exposure to credit risk		Maximum exposure to credit risk	
Financial assets				
Cash collateral on securities borrowed and reverse repurchase agreement loans	16.22	Unsecured	1,397.22	Unsecured
Retail loans		(Land, real estate property and securities)		(Land, real estate property and securities)
Wholesale loans - Secured	6,144.25	Unsecured	10,519.98	Unsecured
Wholesale loans - Unsecured	6,476.69	Unsecured	28,764.82	Unsecured
Trade receivables	103.77	Unsecured	7,906.00	Unsecured
Debt instruments at amortised cost	4,388.13	Unsecured	1,439.68	Unsecured
Other financial assets	130.79	Unsecured	1,157.05	Unsecured
<b>Total financial assets at amortised cost Total (A)</b>	<b>17,259.90</b>		<b>47,184.51</b>	
Derivative financial instruments	2,474.73	Unsecured	721.22	Unsecured
Financial assets at FVPL (except equity)		Unsecured	96.01	Unsecured
Financial assets at FVPL (except equity) - Group	5,239.83	Unsecured	618.01	Unsecured
<b>Total financial instruments at fair value through profit or loss, Total (B)</b>	<b>7,714.56</b>		<b>1,435.24</b>	
Debt instruments at fair value through OCI				
<b>Total debt instruments at fair value through OCI</b>				
<b>Total (A) + (B)</b>	<b>24,974.46</b>		<b>48,619.75</b>	
Loan commitments				
Financial guarantee contracts				
<b>Other commitments (max exposure)</b>				
<b>Total</b>	<b>24,974.46</b>		<b>48,619.75</b>	

Financial assets that are stage III and related collateral held in order to mitigate potential losses are given below:

	31 March 2020	Associated ECL	Carrying amount	Fair value of collateral	31 March 2019	Associated ECL	Carrying amount	Fair value of collateral
	Maximum exposure to credit risk (carrying amount before ECL)				Maximum exposure to credit risk (carrying amount before ECL)			
Financial assets								
Loans								
Retail loans								
Wholesale loans	2,665.31	757.35	1,907.96	11,180.00	2,201.26	1,127.56	1,073.69	5,122.76
Distressed assets								
<b>Total financial assets at amortised cost</b>	<b>2,665.31</b>	<b>757.35</b>	<b>1,907.96</b>	<b>11,180.00</b>	<b>2,201.26</b>	<b>1,127.56</b>	<b>1,073.69</b>	<b>5,122.76</b>
Debt instruments at fair value through OCI								
	2,665.31	757.35	1,907.96	11,180.00	2,201.26	1,127.56	1,073.69	5,122.76
Loan commitments								
Financial guarantee contracts								
<b>Total</b>	<b>2,665.31</b>	<b>757.35</b>	<b>1,907.96</b>	<b>11,180.00</b>	<b>2,201.26</b>	<b>1,127.56</b>	<b>1,073.69</b>	<b>5,122.76</b>

Company holds collateral (if financial or non-financial assets) and is permitted to sell or repledge the collateral in the case of default by the owner of the collateral.

Assets type	31 March 2020	31 March 2019
Land, real estate property and initiatives	17,036.27	23,126.95
<b>Total</b>	<b>17,036.27</b>	<b>23,126.95</b>





# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency - Indian rupees in millions)

### 60. Analysis of risk concentration

#### Industry analysis - Risk concentration for 31 March 2020

Particulars	Financial services	Consumers	Retail and wholesale	Construction	Oil & gas	Mining industry	Paper	Energy	Others	Industrial Goods	Pharma & Chemical	Services	Insurance	Total
<b>Financial assets</b>														
Derivative financial instruments	2,440.08	-	-	-	-	-	-	-	-	-	-	-	-	2,440.08
Financial assets carried at fair value through profit and loss	6,725.05	1,066.94	2.53	448.88	0.00	-	-	7.22	-	0.01	-	66.20	0.02	8,316.85
Cash and cash equivalent	470.52	-	-	-	-	-	-	-	-	-	-	-	-	470.52
Trade receivables	14.61	43.04	0.73	4.38	-	-	-	-	0.56	10.17	0.56	-	29.72	103.77
Loans	6,314.05	-	-	5,224.84	-	-	-	168.06	-	-	-	-	-	11,706.95
Investments at amortised cost	4,388.12	-	-	-	-	-	-	-	-	-	-	-	-	4,388.12
Investments at cost	7,716.91	-	-	-	-	-	-	-	-	-	-	-	-	7,716.91
Other financial assets	128.40	-	-	-	-	-	-	2.30	-	-	-	-	-	130.70
<b>Other Commitments</b>	<b>28,197.83</b>	<b>1,109.98</b>	<b>3.26</b>	<b>5,678.10</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>177.58</b>	<b>0.56</b>	<b>10.18</b>	<b>0.56</b>	<b>66.20</b>	<b>29.74</b>	<b>35,273.99</b>
<b>Total</b>	<b>28,197.83</b>	<b>1,109.98</b>	<b>3.26</b>	<b>5,678.10</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>177.58</b>	<b>0.56</b>	<b>10.18</b>	<b>0.56</b>	<b>66.20</b>	<b>29.74</b>	<b>35,273.99</b>

#### Industry analysis - Risk concentration for 31 March 2019

Particulars	Financial services	Consumers	Retail and wholesale	Construction	Oil & gas	Mining industry	Paper	Energy	Textiles	Industrial Goods	Pharma & Chemical	Services	Insurance	Total
<b>Financial assets</b>														
Derivative financial instruments	672.34	-	-	-	-	-	-	-	-	-	-	-	-	672.34
Financial assets carried at fair value through profit and loss	5,441.65	1,053.01	-	536.91	0.00	0.14	-	20.90	2.05	3.68	-	306.83	-	7,385.40
Cash and cash equivalent	389.18	-	-	-	-	-	-	-	-	-	-	-	-	389.18
Bank balances other than cash and cash equivalent	201.79	-	-	-	-	-	-	-	-	-	-	-	-	201.79
Trade receivables	7,776.42	21.76	-	1.57	-	-	-	17.90	0.63	33.67	-	3.03	50.96	7,906.00
Loans	21,296.92	-	-	10,680.26	-	-	161.39	1,656.62	-	-	-	150.32	-	33,927.51
Investments at amortised cost	1,439.68	-	-	-	-	-	-	-	-	-	-	-	-	1,439.68
Investments at cost	4,703.39	-	-	-	-	-	-	-	-	-	-	-	-	4,703.39
Other financial assets	2,554.48	-	-	-	-	-	-	-	-	-	-	-	-	2,554.48
<b>Other Commitments</b>	<b>44,471.85</b>	<b>1,074.77</b>	<b>-</b>	<b>11,198.74</b>	<b>0.00</b>	<b>0.14</b>	<b>161.39</b>	<b>1,697.48</b>	<b>2.71</b>	<b>37.55</b>	<b>-</b>	<b>460.18</b>	<b>50.96</b>	<b>59,155.77</b>
<b>Total</b>	<b>44,471.85</b>	<b>1,074.77</b>	<b>-</b>	<b>11,198.74</b>	<b>0.00</b>	<b>0.14</b>	<b>161.39</b>	<b>1,697.48</b>	<b>2.71</b>	<b>37.55</b>	<b>-</b>	<b>460.18</b>	<b>50.96</b>	<b>59,155.77</b>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 61 Cash flow disclosure

Change in liabilities arising from financing activities

Particulars	01 April 2019	Cash flows	Changes in fair values	Others*	31 March 2020
Debt securities	30,675.42	-11,983.93	-	1,393.31	20,084.80
Borrowings other than debt securities	15,599.26	-7,396.31	-	1,095.76	9,298.71
Deposits	1,390.38	1,172.65	-	52.46	2,615.49
Subordinated Liabilities	-	1,000.00	-118.66	-	881.34
<b>Total liabilities from financing activities</b>	<b>47,665.06</b>	<b>-17,207.59</b>	<b>-118.66</b>	<b>2,541.53</b>	<b>32,880.34</b>

\* Others includes interest accrued but not paid on financing liabilities.

Particulars	01 April 2018	Cash flows	Changes in fair values	Others*	31 March 2019
Debt securities	21,990.24	8,241.84	-	443.34	30,675.42
Borrowings other than debt securities	15,995.16	-409.25	-	13.35	15,599.26
Deposits	373.78	1,003.23	-	13.37	1,390.38
Subordinated liabilities	-	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>38,359.18</b>	<b>8,835.82</b>	<b>-</b>	<b>470.06</b>	<b>47,665.06</b>

\* Others Includes interest accrued but not paid on financing liabilities.

### 62 Prior period comparatives

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

As per our report of even date attached.

For GMJ & Company

Chartered Accountants

Firm Registration No.: 103429W

CA Haridas Bhat

Partner

Membership No.: 39070

Mumbai

03 July 2020



For and on behalf of the Board of Directors

T.K. Ramaswamy

Director

DIN: 05158707

Umesh Wadhwa

Director

DIN: 05157099

Alay Mehta

Chief Executive Officer

Ritesh S. Jain

Chief Financial Officer

Mumbai

03 July 2020

Bhargavi Halapeti

Company Secretary







