

INDEPENDENT AUDITOR'S REPORT

To the Members of ESL Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ESL Securities Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the period October 01, 2019 to March 31, 2020 (the "Period"), 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 financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income its cash flows and the changes in equity for the Period ended on that date.

Basis for Opinion

We conducted our audit of the 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 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 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 financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.



Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

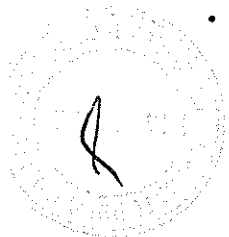
The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 SA 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw



attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 1" 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 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 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 financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the Period ended October 1, 2019 to March 31, 2020 the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence not commented upon;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;

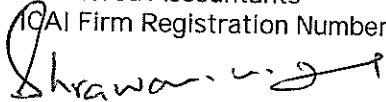
S.R. BATLIBOI & Co. LLP

Chartered Accountants

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants

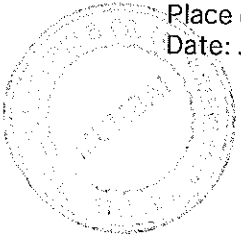
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner

Membership Number: 102102
UDIN: 20102102AAAAGU1845

Place of Signature: Mumbai
Date: June 27, 2020

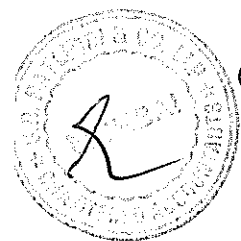


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Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) (a) The Company does not have fixed assets as at 31 March 2020 and for the Period October 1, 2019 to March 31, 2020, accordingly, the requirements under paragraph 3(i) (a), (b) and (c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (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, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon..
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, goods and service tax, cess and other statutory dues applicable to it. As informed, the provisions of provident fund, employees' state insurance, sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, goods and service tax, cess and other statutory dues were outstanding, at the Period end, for a period of more than six months from the date they became payable.
- As informed, the provisions of provident fund, employees' state insurance, sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, good and service tax and cess which have not been deposited on account of any dispute.
- As informed, the provisions of provident fund, employees' state insurance, sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the Period.



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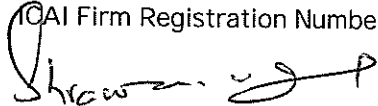
Chartered Accountants

- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company, by the officers and employees of the Company has been noticed or reported during the Period.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon..
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the Period under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon..
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

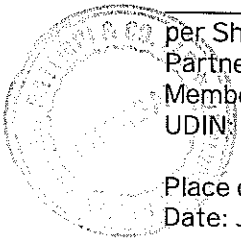
Partner

Membership Number: 102102

UDIN: 20102102AAAAGU1845

Place of Signature: Mumbai

Date: June 27, 2020



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ESL SECURITIES LIMITED

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 ESL Securities Limited ("the Company") as of March 31, 2020, in conjunction with our audit of the financial statements of the Company for the period 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

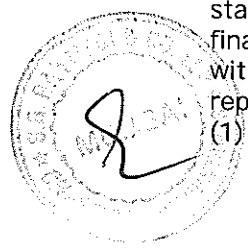
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A Company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



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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.

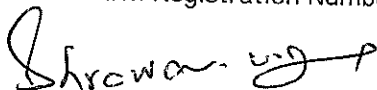
Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements 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.

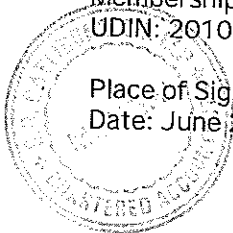
For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner

Membership Number: 102102
UDIN: 20102102AAAAGU1845

Place of Signature: Mumbai
Date: June 27, 2020



ESL Securities Limited

Balance Sheet

(Currency : Indian rupees)

	Note	As at March 31, 2020
ASSETS		
Financial assets		
(a) Cash and cash equivalents	2.1	100,000
TOTAL ASSETS		100,000
LIABILITIES		
Financial liabilities		
(I) Trade payables	2.2	-
(i) total outstanding dues of micro enterprises and small enterprises		-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		159,950
		159,950
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	2.3	100,000
(b) Other equity	2.4	(159,950)
		(59,950)
TOTAL LIABILITIES AND EQUITY		100,000

The accompanying notes are an integral part of the financial statements

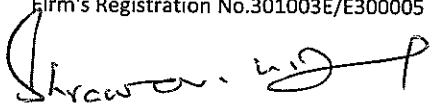
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As per our report of even date attached

For S.R. Batliboi & Co. L.L.P.,

Chartered Accountants

Firm's Registration No.301003E/E300005



Shrawan Jalan

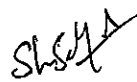
Partner

Membership No:102102

Mumbai

June 27, 2020

For and on behalf of the Board of Directors



Shiv Sehgal

Director

DIN :07112524

Mumbai

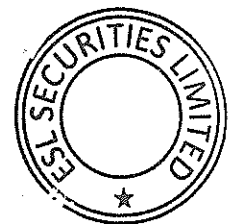
June 27, 2020



Ashish Kehair

Director

DIN :07789972



ESL Securities Limited

Statement of Profit and Loss

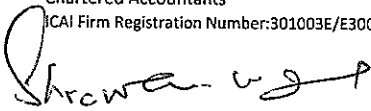
(Currency : Indian rupees)

	Note	For the period from October 01, 2019 to March 31, 2020
Revenue from operations		-
Total Revenue		-
Expenses		
Other expenses	2.5	159,950
Total expenses		159,950
Loss before tax		(159,950)
Tax expenses: (1) Current tax		-
Loss for the period		(159,950)
Other Comprehensive Income		-
Total Comprehensive Income		(159,950)
Earnings per equity share (Face value of ₹ 10 each): (1) Basic and diluted	2.6	(31.99)

The accompanying notes are an integral part of the financial statements
As per our report of even date attached

1 & 2

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:301003E/E300005



Shrawan Jalan
Partner
Membership No:102102

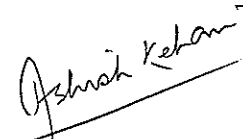
Mumbai
June 27, 2020

For and on behalf of the Board of Directors

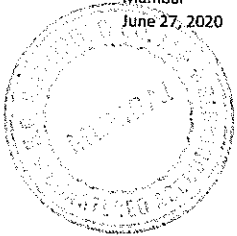


Shiv Sehgal
Director
DIN :07112524

Mumbai
June 27, 2020



Ashish Kehair
Director
DIN :07789972



ESL Securities Limited

Statement of changes in Equity

(Currency : Indian rupees)

Equity share capital

Balance at the beginning of the reporting period (October 01, 2019)	Changes in equity share capital	Balance at the end of the reporting period (March 31, 2020)
-	100,000	100,000

Other Equity

	Securities Premium Account	Deemed capital contribution - ESOP	Retained earnings	Total
Balance at October 01, 2019				
Loss for the period	-	-	(159,950)	(159,950)
Other comprehensive income	-	-	-	-
Total Comprehensive Income	-	-	(159,950)	(159,950)
Balance at March 31, 2020	-	-	(159,950)	(159,950)

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:301003E/E300005

Shrawan

Shrawan Jalan
Partner
Membership No:102102

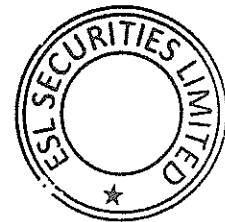
Mumbai
June 27, 2020

For and on behalf of the Board of Directors

Shiv Sehgal
Shiv Sehgal
Director
DIN :07112524

Mumbai
June 27, 2020

Ashish Kehar
Ashish Kehar
Director
DIN :07789972



ESL Securities Limited

Cash Flow Statement

(Currency : Indian rupees)

For the period from
October 01, 2019 to
March 31, 2020

A Cash flow from operating activities	
Loss before tax	(159,950)
Operating cash flow before working capital changes	(159,950)
(Less) / Add : Adjustments for working capital changes	
Increase in liabilities and provisions	159,950
Cash (used in)/ generated from operations	-
Income taxes paid/ (refunds) (net)	-
Net cash (used in) / generated from operating activities - A	-
B Cash flow from investing activities	
Net cash generated/ (used in) investing activities - B	-
C Cash flow from financing activities	
Proceeds from equity shares	100,000
Net cash generated from financing activities - C	100,000
Net increase in cash and cash equivalents (A+B+C)	100,000
Cash and cash equivalent as at the beginning of the period	-
Cash and cash equivalent as at the end of the period	100,000

Notes:

- 1 Component of cash and cash equivalents.

Cash and Cash equivalents

Cash in hand

Balances with banks

- in Current accounts

100,000
100,000

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005

Shrawan Jalan

Partner

Membership No:102102

For and on behalf of the Board of Directors

Shiv Sehgal

Director

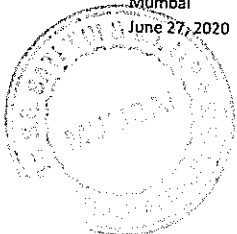
DIN :07112524

Ashish Kehair

Director

DIN :07789972

Mumbai
June 27, 2020



Mumbai
June 27, 2020



ESL Securities Limited

Notes to the financial statements (*Continued*)

for the period October 01, 2019 to March 31, 2020

(Currency : Indian rupees)

1. Significant accounting policies

1.1 Company background

ESL Securities Limited ('the Company') was incorporated on October 01 2019. The Company is wholly owned subsidiary of Edelweiss Securities Limited. The Company was incorporated for carrying out the business as trading, institutional equities and securities broking.

1.2 Basis of preparation and presentation of financial statements

The reporting period for the Company is from October 01 2019 to March 31 2020 ("Period").

The Company's financial statements has been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and in compliance with the Division III of the Schedule III to the Companies Act, 2013.

The Company's financial statements have been prepared on a historical cost basis. The Company's financial statements are presented in Indian Rupees (INR).

1.3 Revenue recognition

This is the year of incorporation of the Company. The Company is yet to start its operations and do not have any revenue for the reporting period.

1.4 Financial Instruments

Date of recognition

Financial assets and financial liabilities 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.

Initial measurement of financial instruments

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

Classification of financial instruments

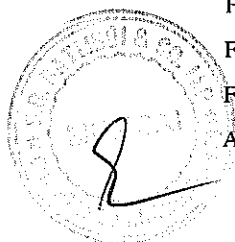
The Company classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

Financial assets carried at amortised cost (AC) or

Financial assets at fair value through other comprehensive income (FVTOCI) or

Financial assets at fair value through profit or loss (FVTPL) or

Amortized cost and effective interest rate (EIR)



ESL Securities Limited

Notes to the financial statements (Continued)

for the period October 01, 2019 to March 31, 2020

(Currency : Indian rupees)

1.4 Financial Instruments (Continued)

Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure

Financial liabilities

All financial liabilities are measured at amortised cost.

Financial liabilities and equity instruments

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

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

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.

Derecognition of financial assets and financial liabilities

Derecognition of financial asset

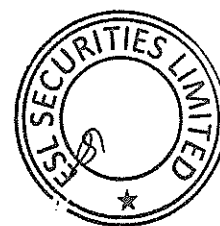
A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial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

The Company shall transfer the financial asset if, and only if, either

- The Company transfers the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition.



ESL Securities Limited

Notes to the financial statements (Continued)

for the period October 01, 2019 to March 31, 2020

(Currency : Indian rupees)

1.4 Financial Instruments (Continued)

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 original financial liability and the consideration paid is recognised in profit or loss.

Impairment of financial assets

The Company records provisions based on expected credit loss model ("ECL") on all, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

Fair value of financial instruments

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

Write-offs

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

1.5 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks, which are subject to an insignificant risk of changes in value.

1.6 Income tax expenses

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

Current tax

The tax currently payable is based on taxable profit for the period. 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.



ESL Securities Limited

Notes to the financial statements (*Continued*)

for the period October 01, 2019 to March 31, 2020

(Currency : Indian rupees)

1.6 Income tax expenses (*Continued*)

Deferred tax

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

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

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

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

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

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

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

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

1.7 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

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



ESL Securities Limited

Notes to the financial statements (*Continued*)

for the period October 01, 2019 to March 31, 2020

(Currency : Indian rupees)

1.8 Provisions and other contingent liabilities

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

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

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

1.9 Significant accounting judgements, estimates and assumptions

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

1.10 Standards issued but not yet effective

There are no standard issued but not effective

2

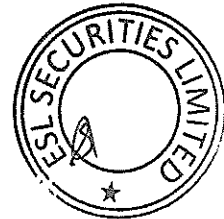


ESL Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2020
2.1 Cash and cash equivalents	
Balances with banks	
- in current accounts	100,000
	<u>100,000</u>
2.2 Trade Payables	
Trade payables from non-related parties	159,950
	<u>159,950</u>



ESL Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2020
2.3 Equity share capital	
Authorised :	
10,000 Equity Shares of Re.10 each	100,000
	<u>100,000</u>
Issued, Subscribed and Paid up:	
10,000 Equity shares of Re.10 each, fully paid-up	100,000
	<u>100,000</u>

a. Movement in share capital :

	March 31, 2020	
	No of shares	Amount
Outstanding at the beginning of the period	-	-
Shares issued during the period	10,000	100,000
Outstanding at the end of the period	<u>10,000</u>	<u>100,000</u>

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

	March 31, 2020		
	No of shares	Amount	%
Edelweiss Securities Limited, the holding company	10,000	100,000	100%
	<u>10,000</u>	<u>100,000</u>	<u>100%</u>

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

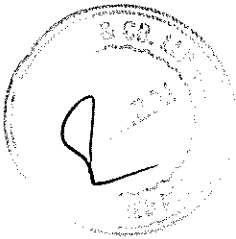
	March 31, 2020	
	No of shares	%
Edelweiss Securities Limited, the holding company	10,000	100%
	<u>10,000</u>	<u>100%</u>

d. Terms/rights attached to equity shares :

The Company has only one class of equity shares referred to as equity shares having a par value of ₹ 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.

2.4 Reserves and surplus

Opening Balance	-
Add: Loss for the period	(159,950)
Add: Other comprehensive income for the period	-
	<u>(159,950)</u>

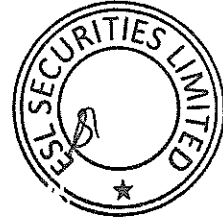
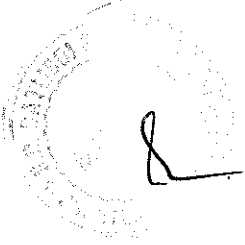


ESL Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the period from October 01, 2019 to March 31, 2020
2.5 Other expenses	
Auditors' remuneration	150,000
Legal and professional fees	7,000
Other expenditure	
ROC Expenses	2,950
	<u>159,950</u>
Auditors' remuneration:	
As Auditors	150,000
	<u>150,000</u>



ESL Securities Limited

Notes to the financial statements (Continued)

for the period October 01, 2019 to March 31, 2020

(Currency : Indian rupees)

2.6 Earnings per share

In accordance with Indian Accounting Standard 33 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

	Particulars		For the period from October 01, 2019 to March 31, 2020
(a)	Loss after tax (as per Statement of Profit and Loss)		(159,950)
	Less: dividend on preference share including dividend distribution tax		Nil
	Net profit for the period attributable to equity shareholders		(159,950)
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the period		-
	Number of Shares issued during the period		10,000
	Total number of equity shares outstanding at the end of the period		10,000
	Weighted average number of equity shares outstanding during the period (based on the date of issue of shares)		5,000
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)		(31.99)

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

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

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares (net of tax) by the weighted average number of equity shares outstanding during the period 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.

2.7 Segment reporting

The Company has not yet started its operations. The company has accordingly reported only one business segment during the period viz. agency based business; the result of which are disclosed in the financial statements. Since business operation of the company are concentrated in India, the Company is considered to operate only in domestic segment and therefore there is no reportable geographic segment.

2.8 Contingent liabilities and capital commitments

The Company has no contingent liabilities and capital commitment as at balance sheet date.



ESL Securities Limited

Notes to the financial statements (Continued)

for the period October 01, 2019 to March 31, 2020

(Currency : Indian rupees)

2.9 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

(A) Names of related parties by whom control is exercised
Edelweiss Securities Limited

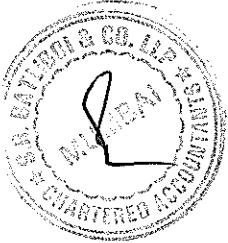
Holding company

ii. Transactions with related parties :

Sr. No.	Particulars	For the period from October 01, 2019 to March 31, 2020
	<i>Capital account transactions during the period</i>	
	Issue of equity shares to:	
1	Edelweiss Securities Limited	100,000

2.10 Details of dues to micro and small enterprises

Trade Payables includes ₹ 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 period to “Suppliers” registered under this Act. The afore mentioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act



ESL Securities Limited

Notes to the financial statements (Continued)

for the period October 01, 2019 to March 31, 2020

(Currency : Indian rupees)

2.11 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	March 31, 2020		
	Within 12 months	After 12 months	Total
Financial assets			
Cash and cash equivalents	100,000	-	100,000
Other bank balances	-	-	-
Non-financial assets	100,000	-	100,000
Total assets	100,000	-	100,000

Particulars	March 31, 2020		
	Within 12 months	After 12 months	Total
Financial liabilities			
Trade payables	159,950	-	159,950
Non-financial liabilities	159,950	-	159,950
Total liabilities	-	-	-
Net	-59,950	-	-59,950

2.12 Total market risk exposure

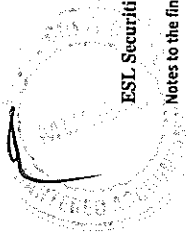
Particulars	March 31, 2020		
	Carrying amount	Traded risk	Non-traded risk
Assets			
Cash and cashequivalent and otherbank balances	100,000	-	100,000
Total	100,000	-	100,000
Liability			
Trade payables	159,950	-	159,950
Total	159,950	-	159,950

2.13 Industry analysis - Risk concentration for March 31, 2020

The following table shows the risk concentration by industry for the components of the balance sheet.

Particulars	Financial services	Total
Financial assets		
Cash and cash equivalentand other bank balances	100,000	100,000
Total	100,000	100,000





ESL Securities Limited

Notes to the financial statements (continued)
for the period October 01, 2019 to March 31, 2020
(Currency : Indian rupees)

2.14 Analysis of non-derivative financial liabilities by remaining contractual maturities

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

As at March 31, 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	159,950	-	-	-	-	-	-	-	-	159,950
Total undiscounted non-derivative financial liabilities	-	159,950	-	-	-	-	-	-	-	-	159,950

Analysis of non-derivative financial assets by remaining contractual maturities

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

As at March 31, 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	100,000	-	-	-	-	-	-	-	-	-	100,000
Total	100,000	-	-	-	-	-	-	-	-	-	100,000



ESL Securities Limited

Notes to the financial statements *(Continued)*

for the period October 01, 2019 to March 31, 2020

(Currency : Indian rupees)

2.15 Prior period comparative

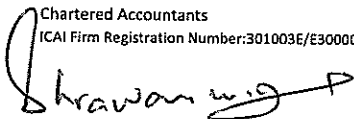
The Company presents its first financial statements which cover a period from the date of incorporation till the balance sheet date and hence previous year's figures are not available for comparative presentation. The financial statements have been prepared for the period from October 01, 2019 to March 31, 2020.

Signature to notes forming an integral part of the financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005



Shrawan Jalan

Partner

Membership No:102102

Mumbai

June 27, 2020

For and on behalf of the Board of Directors




Shiv Sehgal

Director

DIN :07112524

Mumbai

June 27, 2020



Ashish Kehalr

Director

DIN :07789972

