

**INDEPENDENT AUDITOR'S REPORT**

To the Members of ECap Equities Limited

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

We have audited the accompanying Special Purpose Financial Statements of ECap Equities Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**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 uncertain future developments. Our opinion is not modified in respect of this matter.

**Basis for Opinion**

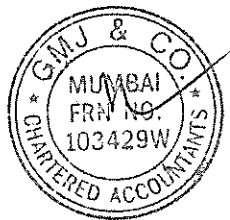
We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose 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 Special Purpose 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 Directors report, but does not include the special purpose financial statements and our auditor's report thereon.

Our opinion on the Special Purpose 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 Special Purpose 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 Special Purpose 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 Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

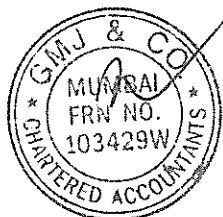
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

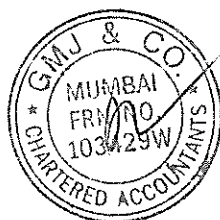
#### Other Matter

The Company has prepared a separate set of financial statements for the year ended March 31, 2021 which is prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended, on which we issued a separate auditor's report to the members of the Company dated June 10, 2021. The separate auditor's report can be used by S.R. Batliboi & Co. LLP (the current statutory auditor of EFSL) in conjunction with the audit of consolidated financial statements.

This report is issued at the request of the Company and is intended solely for the information and use of the Edelweiss Financial Services Limited ('Ultimate Holding Company' or 'EFSL'), for the purpose of presentation of its consolidated audited financial statements for the year ended March 31, 2021 and for the use of S.R. Batliboi & Co. LLP (the current statutory auditor of EFSL) in conjunction with the audit of consolidated financial statements and is not intended to be and should not be used for any other purpose.

#### Report on Other Legal and Regulatory Requirements

1. 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 special purpose financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;



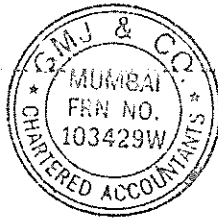
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these special purpose financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position;
  - 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;
  - 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

ICAI Firm Registration Number: 103429W



Haridas Bhat  
Partner  
Membership No.: 039070



UDIN: 21039070AAA4KH4648

Place: Mumbai  
Date: June 10, 2021

**Annexure A****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, 2021 in conjunction with our audit of the special purpose financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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**

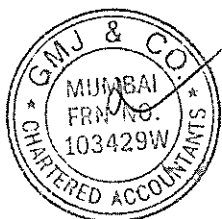
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these special purpose financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these special purpose 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 special purpose financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these special purpose financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 Special purpose Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these special purpose financial statements and such internal financial controls over financial reporting with reference to these special purpose financial statements were operating effectively as at March 31, 2021, 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

ICAI Firm Registration Number: 103429W



Haridas Bhat  
Partner  
Membership No.: 039070



UDIN: 21039070AAAAKH4648

Place: Mumbai  
Date: June 10, 2021

**ECap Equities Limited****Balance Sheet**

(Currency : Indian rupees)

		As at	As at
	Note	31 March 2021	31 March 2020
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	8	24,86,15,071	47,05,18,399
Derivative financial instruments	9	1,41,78,32,013	2,44,00,85,495
Stock in trade	10	9,26,21,94,363	5,84,24,22,535
Trade receivables	11	11,97,76,872	10,37,62,553
Loans	12	6,01,07,17,006	11,70,69,49,930
Investments	13	18,44,94,70,058	14,57,94,94,308
Other financial assets	14	10,44,13,928	13,07,88,958
		<u>35,61,30,19,311</u>	<u>35,27,40,22,178</u>
<b>Non-financial assets</b>			
Current tax assets (net)	15	43,22,06,498	19,63,89,006
Deferred tax assets (net)	16	1,05,33,37,684	82,48,11,022
Investment property	17	80,12,23,271	84,33,92,917
Property, plant and equipment	18	2,02,59,519	3,01,73,829
Goodwill	19	6,09,43,805	6,09,43,805
Other Intangible assets	20	75,38,586	2,32,21,435
Other non- financial assets	21	1,51,80,499	13,08,02,932
		<u>2,39,06,89,862</u>	<u>2,10,97,34,946</u>
<b>TOTAL ASSETS</b>		<u><b>38,00,37,09,173</b></u>	<u><b>37,38,37,57,124</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Derivative financial instruments	9	1,42,06,13,652	2,61,49,62,916
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22	6,54,99,945	16,35,24,007
Debt securities	23	19,32,41,23,063	20,08,47,95,813
Borrowings (other than debt securities)	24	14,58,02,86,604	9,29,87,11,589
Deposits	25	5,84,74,623	2,61,54,92,081
Subordinated liabilities	26	1,00,00,00,000	88,13,44,473
Other financial liabilities	27	37,32,44,571	39,23,85,112
		<u>36,82,22,42,458</u>	<u>36,05,12,15,991</u>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)	28	3,58,05,574	2,47,42,573
Provisions	29	84,06,226	1,26,91,001
Other non-financial liabilities	30	2,37,81,723	14,89,71,717
		<u>6,79,93,523</u>	<u>18,64,05,291</u>
<b>EQUITY</b>			
Equity share capital	31	74,00,000	74,00,000
Instruments entirely equity in nature	32	4,00,00,00,000	-
Other equity	33	(2,89,39,26,808)	1,13,87,35,842
		<u>1,11,34,73,192</u>	<u>1,14,61,35,842</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>38,00,37,09,173</b></u>	<u><b>37,38,37,57,124</b></u>

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 &amp; Co.

Chartered Accountants

Firm Registration No.: 103429W

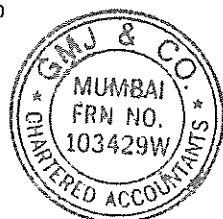
Haridas Bhat

Partner

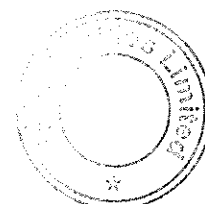
Membership No.: 39070

Mumbai

10 June 2021



For and on behalf of the Board of Directors

Rujar Panjwani  
Executive Director  
DIN: 00237366Ganesan R  
Director  
DIN: 07446631Ritesh S. Jain  
Chief Financial Officer  
Mumbai  
10 June 2021

# ECap Equities Limited

## Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from operations</b>			
Interest income	34	3,42,80,65,161	4,78,51,07,185
Dividend income	35	25,58,16,445	4,93,108
Rental income	36	27,80,49,116	26,31,91,685
Fee and commission income	37	7,15,94,577	18,75,59,891
Net gain on fair value changes	38	1,95,40,56,520	93,47,07,185
Sale of commodities		6,06,85,74,139	6,99,86,05,475
<b>Total revenue from operations</b>		<b>12,05,61,55,958</b>	<b>13,16,96,64,529</b>
<b>Other income</b>	39	<b>3,01,88,670</b>	<b>90,57,220</b>
<b>Total income</b>		<b>12,08,63,44,628</b>	<b>13,17,87,21,749</b>
<b>Expenses</b>			
Finance costs	40	4,66,30,62,509	4,83,79,67,887
Impairment on financial instruments	41	4,84,81,42,751	1,68,62,89,076
Purchases of commodities		6,06,89,99,321	6,99,75,51,348
Employee benefits expense	42	21,04,50,789	27,38,40,465
Depreciation, amortisation and impairment		6,61,34,517	7,32,92,025
Other expenses	43	62,02,21,694	43,60,53,375
<b>Total expenses</b>		<b>16,47,90,71,581</b>	<b>14,30,49,94,176</b>
<b>Loss before tax</b>		<b>(4,39,27,26,953)</b>	<b>(1,12,62,72,427)</b>
<b>Tax expenses:</b>			
Current tax		(13,21,16,345)	10,81,73,943
Deferred tax		(22,87,29,284)	(61,87,28,769)
<b>Loss for the year</b>		<b>(4,03,18,81,324)</b>	<b>(61,57,17,601)</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain on defined benefit plans (OCI)		(5,79,000)	(2,92,000)
Fair value gain / loss - OCI - equity		-	(84,75,00,000)
Tax effect on remeasurement gain on defined benefit plans (OCI)		2,02,326	1,04,483
<b>Other Comprehensive Income</b>		<b>(7,81,326)</b>	<b>(84,78,96,483)</b>
<b>Total comprehensive income</b>		<b>(4,03,26,62,650)</b>	<b>(1,46,36,14,084)</b>
<b>Earnings per equity share: (Face value of Rs 10 each):</b>			
Basic	46	(5,334.71)	(832.05)
Diluted		(5,334.71)	(832.05)

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

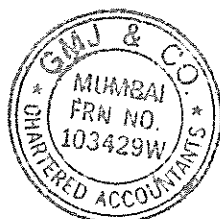
Haridas Bhat

Partner

Membership No.: 39070

Mumbai

10 June 2021



For and on behalf of the Board of Directors

*Rujan Panjwani* *Ganesan R*

Rujan Panjwani

Executive Director

DIN: 00237366

Ganesan R

Director

DIN: 07446631

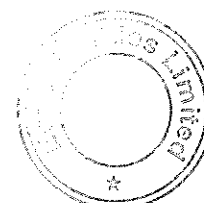
*Ritesh S. Jain*

Ritesh S. Jain

Chief Financial Officer

Mumbai

10 June 2021





# ECap Equities Limited

Cash flow statement  
(Currency : Indian rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A. Cash flow from operating activities</b>		
Loss before taxation	(4,39,27,26,953)	(1,12,62,72,427)
<b>Adjustments for</b>		
Depreciation, amortisation and impairment expenses	6,81,94,517	7,32,92,025
Impairment on financial instruments	4,84,81,42,751	12,49,18,473
Provision for gratuity and compensated absences	22,58,176	(70,40,796)
Loss/(Profit) on sale of fixed assets	92,899	(3,49,216)
Dividend income on investment	(25,58,16,445)	(4,93,108)
Loss/(profit) on sale of investment	(35,19,96,051)	(1,18,39,52,967)
Share of loss from partnership firm	80,32,404	11,45,454
Fair value of financial instruments	(23,23,68,115)	(56,00,72,750)
Interest income	(2,43,57,66,548)	(3,74,33,60,214)
Interest expense	4,63,84,45,938	4,42,39,47,733
<b>Operating cash flow before working capital changes</b>	<b>1,89,64,92,573</b>	<b>(1,99,82,37,793)</b>
<b>Add / (Less): Adjustments for working capital changes</b>		
Decrease / (Increase) in non financial liability	1,17,45,476	8,67,99,265
Decrease in other financial liability	(1,91,40,541)	(90,06,15,403)
Decrease in trade payable	(9,80,24,062)	(7,70,23,15,933)
(Decrease) / Increase in Provisions	(71,21,951)	84,77,894
(Increase) / Decrease in Derivative financial instruments	(2,00,69,97,860)	1,14,58,17,083
Increase in stock in trade	(2,92,49,61,984)	(3,18,86,21,901)
(Increase) / Decrease in trade receivable	(1,91,96,920)	7,77,24,69,747
Decrease in other financial assets	2,63,75,030	2,42,33,85,483
Decrease/(increase) in other non financial assets	11,55,94,934	(6,32,58,611)
<b>Cash used in operations</b>	<b>(3,02,52,35,305)</b>	<b>(2,41,61,00,169)</b>
Income tax paid	(9,26,37,848)	(22,50,53,101)
<b>Net cash used in operating activities - A</b>	<b>(3,11,78,73,153)</b>	<b>(2,64,11,53,270)</b>
<b>B. Cash flow from investing activities</b>		
(Purchase) / Sale of investments	(3,74,50,48,685)	(2,60,22,61,378)
Dividend received	25,58,16,445	7,84,671
Sale/(purchase) of fixed assets	(5,20,611)	(50,92,466)
Loan (given)/repaid (refer note 2)	10,68,26,485	21,35,45,17,943
Interest received	3,13,23,97,825	4,22,97,47,405
<b>Net cash (used in) / generated from investing activities - B</b>	<b>(25,05,28,541)</b>	<b>22,97,76,96,175</b>
<b>C. Cash flow from financing activities</b>		
Repayment of subordinated liabilities	-	1,00,00,00,000
Repayment of debt borrowing (refer note 2)	13,11,16,205	(11,98,39,30,609)
Proceeds from issued on Compulsorily convertible debentures	4,00,00,00,000	-
Proceeds from borrowings (other than debt securities) (refer note 2)	5,15,46,11,779	(7,39,63,05,178)
Repayment of deposits (refer note 2)	(2,61,50,15,316)	1,17,26,53,563
Interest paid	(3,52,53,64,986)	(3,34,46,64,369)
Increase in bank balances other than cash and cash equivalents	11,50,684	30,10,34,215
<b>Net cash generated from / (used in) financing activities - C</b>	<b>3,14,64,98,366</b>	<b>(20,25,12,12,378)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(22,19,03,328)</b>	<b>8,53,30,527</b>
Cash and cash equivalents as at the beginning of the year	47,05,18,399	38,51,87,872
Cash and cash equivalent as at the end of the year	24,86,15,071	47,05,18,399

## Notes:

1 Cash and cash equivalents include the following:

Balances with banks: In current accounts	24,86,15,071	47,05,18,399
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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

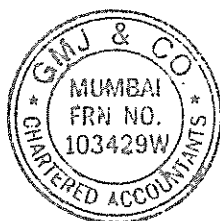
Haridas Bhat

Partner

Membership No.: 39070

Mumbai

10 June 2021



For and on behalf of the Board of Directors

*Rajan Panjwani*

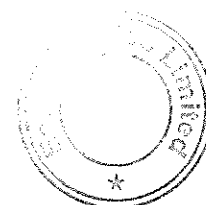
Rajan Panjwani  
Executive Director  
DIN: 00237366

*Ganesan R*

Ganesan R  
Director  
DIN: 07446631

*Ritesh S. Jain*

Ritesh S. Jain  
Chief Financial Officer  
Mumbai  
10 June 2021



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

(Currency : Indian rupees)

**(A) Equity share capital**

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	74,00,000	74,00,000
Changes in equity share capital	-	-
Balance at the end of the year	74,00,000	74,00,000

**(B) Instruments entirely equity in nature- Compulsorily Convertible Debentures**

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	-	-
Changes in equity share capital	4,00,00,00,000	-
Balance at the end of the year	4,00,00,00,000	-

**(C) Other Equity**

Particulars	Capital Redemption Reserve	Capital Reserve	Securities Premium	ESOP reserve	Debt redemption reserve	Retained earnings	Total
Balance at 1 April 2019	3,10,00,000	(10,55,91,678)	1,78,49,23,734	2,09,21,062	1,05,14,13,292	5,65,82,003	2,83,92,48,413
Loss for the year	-	-	-	-	-	(61,57,17,601)	(61,57,17,601)
Other comprehensive income	-	-	-	-	-	(84,78,96,483)	(84,78,96,483)
Total comprehensive income for the year	-	-	-	-	-	(1,46,36,14,084)	(1,46,36,14,084)
Transactions with shareholders in their capacity as such	-	-	-	-	-	11,89,81,383	11,89,81,383
Issue of debentures	-	-	8,77,63,373	-	-	-	8,77,63,373
Transfers to / from retained earnings	-	-	(18,29,99,623)	-	-	-	(18,29,99,623)
Transferred to Debt redemption Liability	-	-	(26,06,43,620)	-	-	-	(26,06,43,620)
Balance at 31 March 2020	3,10,00,000	(10,55,91,678)	1,42,90,43,864	2,09,21,062	1,05,14,13,292	(1,28,80,50,698)	1,13,87,35,842
Loss for the year	-	-	-	-	-	(4,03,18,81,324)	(4,03,18,81,324)
Other comprehensive income	-	-	-	-	-	(7,81,326)	(7,81,326)
Total comprehensive income for the year	-	-	-	-	-	(4,03,26,62,650)	(4,03,26,62,650)
Balance at 31 March 2021	3,10,00,000	(10,55,91,678)	1,42,90,43,864	2,09,21,062	1,05,14,13,292	(5,32,07,13,348)	(2,89,39,26,808)

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

**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

Haridas Bhat  
Partner  
Membership No.: 39070  
Mumbai  
10 June 2021



For and on behalf of the Board of Directors

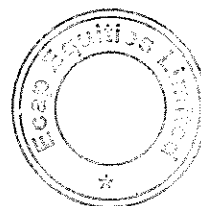
*R. Panjwani* *R. Panjwani*

Rujan Panjwani  
Executive Director  
DIN: 00237366

Ganesan R  
Director  
DIN: 07446631

*Ritesh S. Jain*

Ritesh S. Jain  
Chief Financial Officer  
Mumbai  
10 June 2021



# **ECap Equities Limited**

## **Notes to the financial statements**

for the year ended 31 March 2021

### **1. Background**

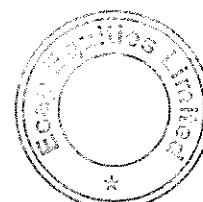
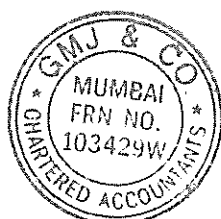
ECap Equities Limited ('the Company') was incorporated on 11 January 2008 as a public limited company and is a wholly owned subsidiary of Edelweiss Financial Services Limited.

### **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).

The COVID-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activities across the world. The Indian Government too has imposed lockdowns starting from March 24, 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic, including the current "second wave" on the Company's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government, RBI and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels. Further, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.



# ECap Equities Limited

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

for the year ended 31 March 2021

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.

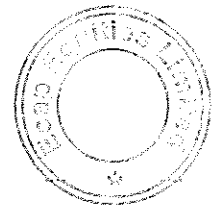
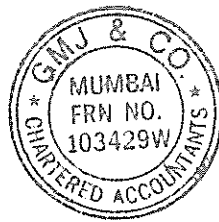
### 3. Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 56.

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

These financial statements are Special Purpose Indian Accounting Standards (Ind-AS) Financial Statement prepared for the purpose of preparation of consolidated financial statements for the year ended 31 March 2021 for Edelweiss Financial Services Limited Reporting (Ultimate Holding Company) for its reporting of Consolidated audited financial results under Ind-AS Division III of Schedule III of the Companies Act, 2013 ("the Act"). The Company has prepared a separate set of financial statements for the year ended 31 March 2021 which is prepared in accordance with Division II of Schedule III and Ind-AS prescribed under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended.



# ECap Equities Limited

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

for the year ended 31 March 2021

### 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.

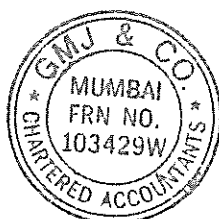
**4.1.3** Dividend income is recognised in statement of profit and loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

**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 2021

### 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

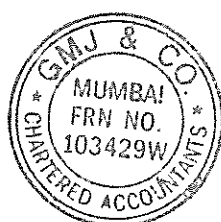
#### 4.3.1 Financial assets:

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.



# ECap Equities Limited

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

for the year ended 31 March 2021

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

- if those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).
- If such sales are made close to maturity of financial asset and proceeds from sale approximate the collection of the remaining contractual 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

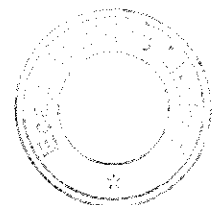
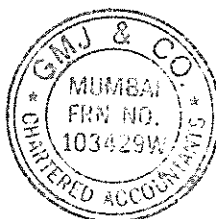
The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term 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.



**ECap Equities Limited**  
**Notes to the financial statements (continued)**  
**for the year ended 31 March 2021**

**4.3.2 Financial liabilities**

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

**4.3.2.1 Debt securities and other borrowed funds**

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





**ECap Equities Limited**  
**Notes to the financial statements (*continued*)**  
**for the year ended 31 March 2021**

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.

**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.

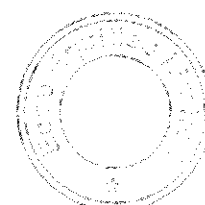
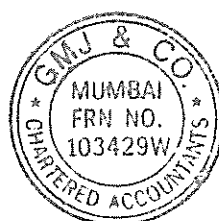
Company has designed a risk strategy based to cover exposure on issuance of Benchmark Linked Debentures, by entering into a derivative contracts either to minimise the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and 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.



# ECap Equities Limited

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

for the year ended 31 March 2021

### 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.

### 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

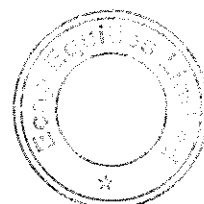
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial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



# ECap Equities Limited

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

for the year ended 31 March 2021

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:

- 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.

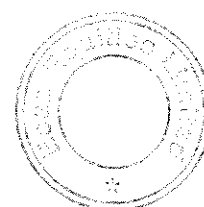
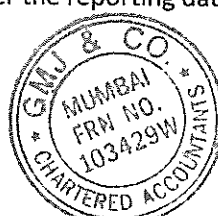
### 4.6 Impairment of financial assets

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.



**ECap Equities Limited**  
**Notes to the financial statements (continued)**  
**for the year ended 31 March 2021**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

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

**4.7 Collateral valuation**

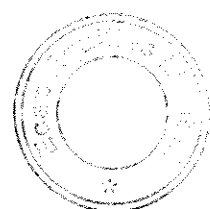
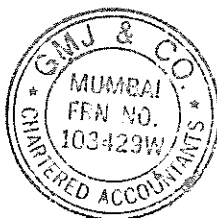
To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting 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.



# ECap Equities Limited

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

for the year ended 31 March 2021

### 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.

### 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

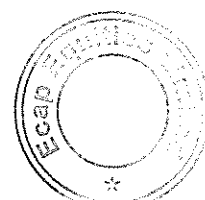
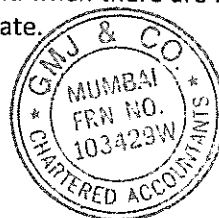
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement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



# ECap Equities Limited

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

for the year ended 31 March 2021

- Level 2 financial instruments—Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

### 4.12 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

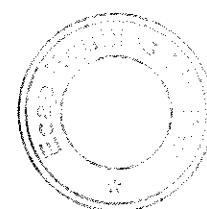
Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

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.



# ECap Equities Limited

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

for the year ended 31 March 2021

### 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.

#### 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.

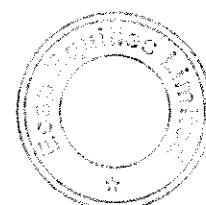
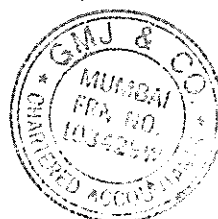
#### 4.15.4 Share-based payment arrangements

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



## ECap Equities Limited

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

for the year ended 31 March 2021

expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

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

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

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

Estimated useful lives of the assets are as follows:

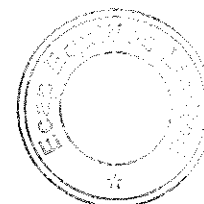
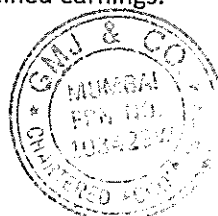
Class of assets	Useful Life
Building (Other than factory building)	60 years
Furniture and fittings	10 years
Motor vehicles	8 years
Office equipments	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, 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.





# ECap Equities Limited

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

for the year ended 31 March 2021

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.

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

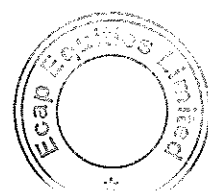
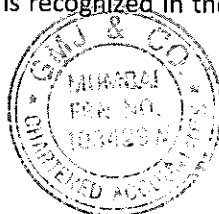
Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

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



# ECap Equities Limited

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

for the year ended 31 March 2021

loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

### 4.20 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.

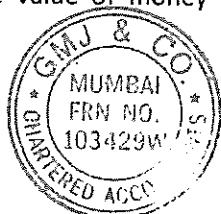
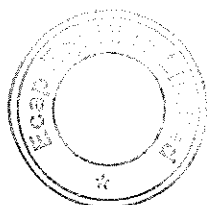
The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration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



# ECap Equities Limited

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

for the year ended 31 March 2021

expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

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

### 5. Income tax expenses

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

#### 5.1 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.

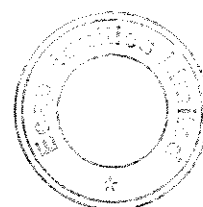
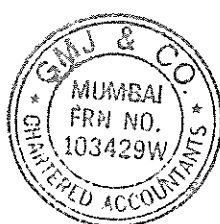
#### 5.2 Deferred tax

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.



# ECap Equities Limited

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

for the year ended 31 March 2021

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.

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.

### 5.3 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.

## 6. 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.

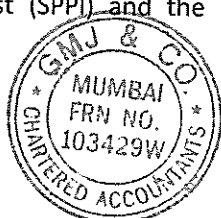
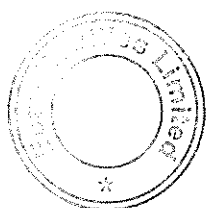
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current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

### 6.1 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



# ECap Equities Limited

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

for the year ended 31 March 2021

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

### b. Significant increase in credit risk

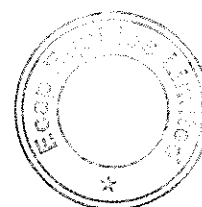
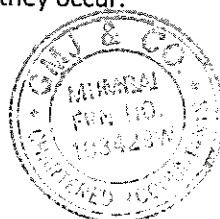
ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the 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.

## 6.2 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.



# ECap Equities Limited

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

for the year ended 31 March 2021

### a. 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.

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.

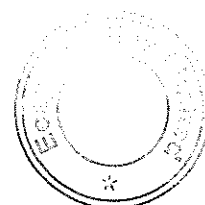
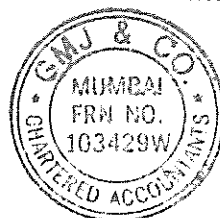
### b. Impairment of financial assets

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 2021

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.

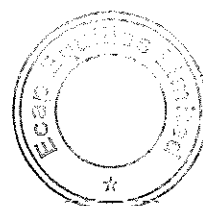
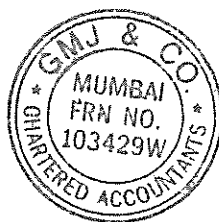
The Company has recognised deferred tax assets on carried forward tax losses where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried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

### 7. Standards issued but not yet effective

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

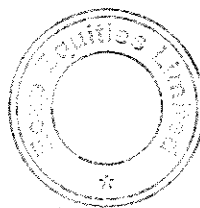


## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021	As at 31 March 2020
<b>8 Cash and cash equivalents</b>		
Cash on hand	-	9,147
Balances with banks - in current accounts	24,86,15,071	47,05,09,252
	<u>24,86,15,071</u>	<u>47,05,18,399</u>





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

(Currency : Indian rupees)

**9 Derivative financial instruments**

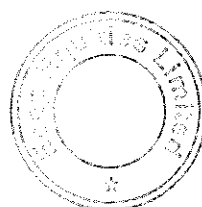
(a) The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

31 March 2021						
Particulars	Notional		Fair value of asset (INR)	Notional		Fair value of liability (INR)
	Unit	Notional amount*		Unit	Notional amount*	
<b>(i) Equity linked derivatives</b>						
-Stock Futures	Number of shares	76,50,335	6,76,17,568	Number of shares	55,25,649	3,46,15,942
-Options purchased	Number of shares	20,07,522	15,97,85,279	Number of shares	-	-
-Options sold (written)	Number of shares	-	-	Number of shares	19,95,122	2,74,61,350
			22,74,02,847			6,20,77,292
Less: amounts offset			6,76,17,568			3,46,15,942
<b>Sub total (i)</b>			<b>15,97,85,279</b>		<b>-</b>	<b>2,74,61,350</b>
<b>(ii) Index linked derivatives</b>						
-Index Futures	Number of index units	-	-	Number of index units	2,70,975	1,25,19,044
-Options purchased	Number of index units	17,28,500	1,23,56,85,244	Number of index units	-	-
-Options sold (written)	Number of index units	-	-	Number of index units	14,25,525	23,34,22,683
			1,23,56,85,244			24,59,41,727
Less: amounts offset			-			1,25,19,044
<b>Sub total (ii)</b>			<b>1,23,56,85,244</b>		<b>-</b>	<b>23,34,22,683</b>
<b>(iii) Embedded derivatives</b>						
- In market linked debentures	Number of index units	-	2,23,61,490	Number of index units	-	1,15,97,29,619
<b>Sub total (iii)</b>			<b>2,23,61,490</b>		<b>-</b>	<b>1,15,97,29,619</b>
<b>Total Derivative Financial Instruments</b>			<b>1,41,78,32,013</b>			<b>1,42,06,13,652</b>

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

31 March 2020						
Particulars	Notional		Fair value of asset (INR)	Notional		Fair value of liability (INR)
	Unit	Notional amount*		Unit	Notional amount*	
<b>(i) Equity linked derivatives</b>						
-Stock Futures	Number of shares	41,11,955	2,91,57,857	Number of shares	54,81,945	2,47,92,465
			2,91,57,857			2,47,92,465
Less: amounts offset			2,91,57,857			2,47,92,465
<b>Sub total (i)</b>			<b>-</b>			<b>-</b>
<b>(ii) Index linked derivatives</b>						
-Index Futures	Number of index units	1,51,565	54,85,546	Number of index units	4,84,125	9,24,68,780
-Options purchased	Number of index units	17,68,200	1,29,22,20,503	Number of index units	-	-
-Options sold (written)	Number of index units	-	-	Number of index units	19,69,425	2,03,09,83,081
			1,29,77,06,048			2,12,34,51,861
Less: amounts offset			54,85,546			9,24,68,780
<b>Sub total (ii)</b>			<b>1,29,22,20,503</b>			<b>2,03,09,83,081</b>
<b>(iii) Embedded derivatives</b>						
- In market linked debentures	Number of index units	-	1,14,78,64,992	Number of index units	-	58,39,79,835
<b>Sub total (iii)</b>			<b>1,14,78,64,992</b>			<b>58,39,79,835</b>
<b>Total Derivative Financial Instruments</b>			<b>2,44,00,85,495</b>			<b>2,61,49,62,916</b>

\* 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)

**9 Derivative financial instruments****(b) Offsetting of financial assets and liabilities****Financial assets subject to offsetting 31 March 2021**

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
Derivative financial assets	1,48,54,49,581	6,76,17,568	1,41,78,32,013

**Financial liabilities subject to offsetting 31 March 2021**

	Offsetting recognised in the balance sheet		
	Gross liability before offset	Amount offset	Net liability recognised in balance sheet
Derivative financial liabilities	1,46,77,48,638	4,71,34,986	1,42,06,13,652

As at the reporting date, the amount of gross derivative assets & liabilities that has been offset against the cash margin is Rs.6,76,17,568 and Rs 4,71,34,986 respectively.

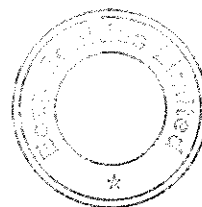
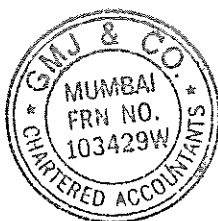
**Financial assets subject to offsetting 31 March 2020**

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
Derivative financial assets	2,47,47,28,897	3,46,43,403	2,44,00,85,495

**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	2,73,22,24,161	11,72,61,245	2,61,49,62,916

As at the reporting date, the amount of gross derivative assets & liabilities that has been offset against the cash margin is Rs. 3,46,43,403 and Rs.11,72,61,245 respectively.



## ECap Equities Limited

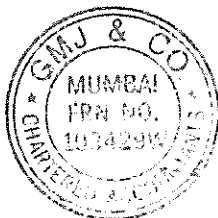
### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 10 Stock in trade

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

Particulars	As at 31 March 2021	As at 31 March 2020
Mutual fund	23,12,41,572	8,49,16,369
Debt securities	6,48,60,41,729	5,23,98,33,466
Equity instruments	2,54,49,11,062	51,76,72,700
<b>Total - Gross (A)</b>	<b>9,26,21,94,363</b>	<b>5,84,24,22,535</b>
Stock in trade outside India	-	-
Stock in trade in India	9,26,21,94,363	5,84,24,22,535
<b>Total (B)</b>	<b>9,26,21,94,363</b>	<b>5,84,24,22,535</b>
<b>Less: Allowance for impairment (C)</b>	<b>-</b>	<b>-</b>
<b>Total Net (A-C)</b>	<b>9,26,21,94,363</b>	<b>5,84,24,22,535</b>



# ECap Equities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

## 11 Trade receivables

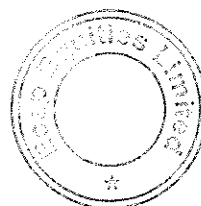
Particulars	31 March 2021	31 March 2020
Receivables considered good - unsecured	43,884	6,07,77,217
Receivables considered good - unsecured - Group	12,45,84,659	4,21,26,529
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	1,69,92,000	3,72,38,809
	<b>14,16,20,543</b>	<b>14,01,42,555</b>
Less : Allowance for expected credit losses	<b>2,18,43,671</b>	<b>3,63,80,002</b>
	<b>11,97,76,872</b>	<b>10,37,62,553</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 2020	3,63,80,002
Add/ (less): asset originated or acquired (net)	(1,45,36,331)
Impairment allowance as on 31 March 2021	<b>2,18,43,671</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 2021	ECL rate	3.89%	36.11%	61.83%	100.00%	
	Estimated total gross carrying amount at default	12,46,28,543	-	305	1,69,91,695	14,16,20,543
	ECL - simplified approach	(48,51,787)	-	(189)	(1,69,91,695)	(2,18,43,671)
	Net carrying amount	<b>11,97,76,756</b>	<b>-</b>	<b>116</b>	<b>-</b>	<b>11,97,76,872</b>
31 March 2020	ECL rate	4.59%	17.80%	52.19%	100.00%	
	Estimated total gross carrying amount at default	8,84,99,458	1,44,04,288	1,56,58,188	2,15,80,621	14,01,42,555
	ECL - simplified approach	(40,63,836)	(25,63,415)	(81,72,130)	(2,15,80,621)	(3,63,80,002)
	Net carrying amount	<b>8,44,35,622</b>	<b>1,18,40,873</b>	<b>74,86,058</b>	<b>-</b>	<b>10,37,62,553</b>



## ECap Equities Limited

### Notes to the financial statements (Continued)

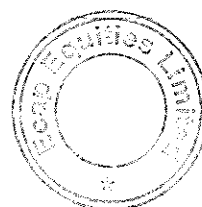
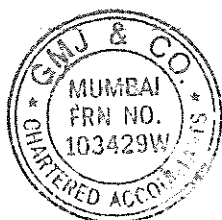
(Currency : Indian rupees)

#### 12 Loans

at amortised cost:

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Term Loans *</b>		
Corporate credit	1,96,43,72,771	5,25,86,52,534
<b>On Demand</b>		
Corporate credit	3,80,36,83,062	1,04,10,01,998
Corporate credit - Group	3,59,17,98,076	6,32,12,98,434
<b>Total Gross</b>	<b>9,35,98,53,909</b>	12,62,09,52,966
Less: Impairment loss allowance	3,34,91,36,903	91,40,03,036
<b>Total (Net)</b>	<b>6,01,07,17,006</b>	11,70,69,49,930
Secured by tangible assets ( Property including land , building & securities)	2,17,10,28,333	6,14,42,59,353
Unsecured - Group	3,59,17,98,076	6,32,12,98,434
Unsecured	3,59,70,27,500	15,53,95,179
<b>Total Gross</b>	<b>9,35,98,53,909</b>	12,62,09,52,966
Less: Impairment loss allowance	3,34,91,36,903	91,40,03,036
<b>Total (Net)</b>	<b>6,01,07,17,006</b>	11,70,69,49,930
<b>Loans in India</b>		
Public Sectors	-	-
Others	9,35,98,53,909	12,62,09,52,966
<b>Total Gross</b>	<b>9,35,98,53,909</b>	12,62,09,52,966
Less: Impairment loss allowance	3,34,91,36,903	91,40,03,036
<b>Total (Net)</b>	<b>6,01,07,17,006</b>	11,70,69,49,930

*\*Disclosure under section 186(4) of the companies Act, 2013 for loans and guarantee : Term Loan has been given for general business purpose*



# ECap Equities Limited

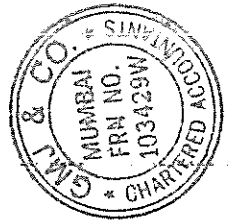
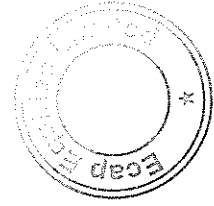
Notes to the financial statements (continued)

(Currency : Indian Rupees)

## 13 Investments

As at 31 March 2021

Particulars	At amortised cost (1)	At fair value through P&L (2)	Subtotal 3 = (1+2)	At cost (subsidiaries, associates, and joint ventures) (4)	Total (5) = (3+4)
Investments in equity instruments of other companies					
Investments in subsidiaries	-	1,17,99,60,595	1,17,99,60,595	-	1,17,99,60,595
Equity	-	-	-	-	-
Preference shares	4,67,62,50,000	-	4,67,62,50,000	3,15,54,04,902	3,15,54,04,902
Investments in group companies					
Preference shares	1,19,30,08,488	-	1,19,30,08,488	-	1,19,30,08,488
Investments in associate companies					
Equity	-	-	-	22,32,12,337	22,32,12,337
Investments in units of fund (refer note 14.1)					
Units of Alternative Investment Funds	-	4,68,65,29,758	4,68,65,29,758	-	4,68,65,29,758
Units of Alternative Investment Funds - Group	-	2,43,91,69,400	2,43,91,69,400	-	2,43,91,69,400
Investment in partnership firm	-	-	-	17,460	17,460
Investment in Warrants	-	2,00,00,000	2,00,00,000	-	2,00,00,000
Investments in debentures and bonds					
Debentures	98,39,33,525	7,99,07,362	1,06,38,40,887	-	1,06,38,40,887
Debentures - Group	39,89,57,817	-	39,89,57,817	-	39,89,57,817
<b>Total - Gross (A)</b>	<b>7,25,21,49,830</b>	<b>8,40,55,67,115</b>	<b>15,65,77,16,945</b>	<b>3,37,86,35,199</b>	<b>19,03,63,52,144</b>
(i) Investments outside India	-	-	-	-	-
(ii) Investment in India	7,25,21,49,830	8,40,55,67,115	15,65,77,16,945	3,37,86,35,199	19,03,63,52,144
<b>Total (B)</b>	<b>7,25,21,49,830</b>	<b>8,40,55,67,115</b>	<b>15,65,77,16,945</b>	<b>3,37,86,35,199</b>	<b>19,03,63,52,144</b>
Less: Allowance for impairment (C)	71,820	58,68,10,266	58,68,82,086	-	58,68,82,086
<b>Total Net (A-C)</b>	<b>7,25,20,78,010</b>	<b>7,81,87,56,849</b>	<b>15,07,08,34,859</b>	<b>3,37,86,35,199</b>	<b>18,44,94,70,058</b>



# **ECap Equities Limited**

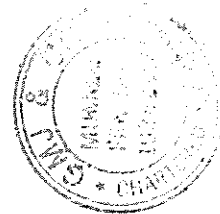
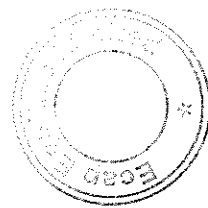
Notes to the financial statements (continued)

(Currency : Indian Rupees)

## **13 Investments (continued)**

As at 31 March 2020

Particulars	At amortised cost (1)	At fair value through P&L (2)	Subtotal 3 = (1+2)	At cost (subsidiaries, associates, and joint ventures) (4)	Total (5) = (3+4)
Investments in equity instruments of other companies	-	1,07,41,47,038	1,07,41,47,038	-	1,07,41,47,038
Investments in subsidiaries	-	-	-	-	-
Equity	-	-	-	7,15,96,24,471	7,15,96,24,471
Preference shares	4,13,08,07,024	-	4,13,08,07,024	-	4,13,08,07,024
Investments in associate companies	-	-	-	-	-
Equity	-	-	-	55,67,72,337	55,67,72,337
Investments in units of fund ( refer note 14.1)	-	-	-	-	-
Units of Alternative Investment Funds	-	44,37,99,641	44,37,99,641	-	44,37,99,641
Units of Alternative Investment Funds - Group	-	78,92,50,761	78,92,50,761	-	78,92,50,761
Investment in partnership firm	-	-	-	5,16,964	5,16,964
Investment in Warrants	-	10,07,93,740	10,07,93,740	-	10,07,93,740
Investments in debentures and bonds	25,73,19,595	6,64,69,957	32,37,89,552	-	32,37,89,552
<b>Total - Gross (A)</b>	<b>4,38,81,26,619</b>	<b>2,47,44,61,137</b>	<b>6,86,25,87,756</b>	<b>7,71,69,14,272</b>	<b>14,57,95,02,028</b>
(i) Investments outside India	-	-	-	-	-
(ii) Investment in India	4,38,81,26,619	2,47,44,61,137	6,86,25,87,756	7,71,69,14,272	14,57,95,02,028
<b>Total (B)</b>	<b>4,38,81,26,619</b>	<b>2,47,44,61,137</b>	<b>6,86,25,87,756</b>	<b>7,71,69,14,272</b>	<b>14,57,95,02,028</b>
Less: Allowance for impairment (C)	7,720	-	-	-	7,720
<b>Total Net (A-C)</b>	<b>4,38,81,18,899</b>	<b>2,47,44,61,137</b>	<b>6,86,25,87,756</b>	<b>7,71,69,14,272</b>	<b>14,57,94,94,308</b>



# **ECap Equities Limited**

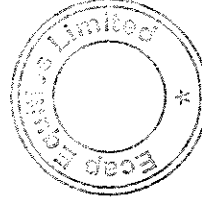
Notes to the financial statements (continued)

(Currency : Indian Rupees)

## **13.1 Investments**

### **Unconsolidated structured entities**

Particulars	31 March 2021		31 March 2020	
	Alternative investment funds	Maximum exposure	Alternative investment funds	Maximum exposure
Investments at fair value	4,37,87,68,524	4,37,87,68,524	44,37,99,641	44,37,99,641
Investments at fair value - Group	2,43,91,69,400	2,43,91,69,400	78,92,50,761	78,92,50,761
<b>Total Assets</b>	<b>6,81,79,37,924</b>	<b>6,81,79,37,924</b>	<b>1,23,30,50,402</b>	<b>1,23,30,50,402</b>
Off-balance sheet exposure	2,24,29,85,721	NA	20,21,82,530	NA
Off-balance sheet exposure - Group	3,12,78,41,294	NA	67,21,73,816	NA
Size of the structured entities	1,46,73,95,25,326	NA	58,70,00,26,190	NA
Income from the structured entities	3,40,12,996	NA	10,66,31,395	NA

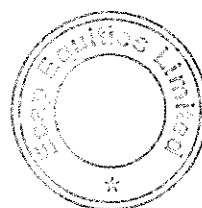
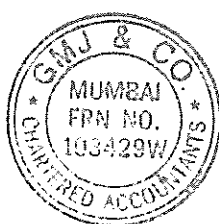




**ECap Equities Limited****Notes to the financial statements (Continued)**

(Currency : Indian Rupees)

	As at 31 March 2021	As at 31 March 2020
<b>14 Other financial assets</b>		
<i>Unsecured considered good</i>		
Security deposits	-	23,01,390
Receivable from exchange /clearing house (net)	12,20,137	-
Deposits placed with exchange	11,800	11,800
Rental deposits	10,00,00,000	10,06,29,400
Deposits- others	26,57,749	-
Accrued interest on margin	-	1,61,06,236
Advances recoverable in cash or in kind or for value to be received	5,24,242	1,17,40,132
	<b>10,44,13,928</b>	<b>13,07,88,958</b>
<b>15 Current tax assets (net)</b>		
Advance income taxes	43,22,06,498	19,63,89,006
	<b>43,22,06,498</b>	<b>19,63,89,006</b>
<b>16 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
<b>Loans</b>		
Provision for standard assets - ECL provision	11,41,76,862	33,27,39,558
<b>Investments and other financial instruments</b>		
Unrealised loss on Derivatives	25,37,202	53,26,23,460
<b>Employee benefit obligations</b>		
Provision for leave accumulation	2,14,635	7,68,069
Disallowances under section 43B of the Income Tax Act, 1961	27,22,837	36,66,674
<b>Unused tax credit</b>		
MAT credit entitlement	13,96,06,546	-
<b>Unused tax losses</b>		
Accumulated losses	92,57,45,034	14,98,20,155
Others	4,54,74,104	3,50,28,374
	<b>1,23,04,77,220</b>	<b>1,05,46,46,290</b>
<b>Deferred tax liabilities</b>		
<b>Property, plant and equipment and intangibles</b>		
Difference between book and tax depreciation (including intangibles)	6,67,73,548	5,99,86,330
<b>Investments and other financial instruments</b>		
Fair valuation of investments and stock in trade	11,03,65,988	16,98,48,938
	<b>17,71,39,536</b>	<b>22,98,35,268</b>
	<b>1,05,33,37,684</b>	<b>82,48,11,022</b>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 16.1 Income tax

(a) The components of income tax expense for the years ended 31 March 2021 and 31 March 2020 are:

Particulars	31 March 2021	31 March 2020
Current tax	-	11,25,50,227
Adjustment in respect of current income tax of prior years	(13,21,16,345)	(43,76,284)
Deferred tax relating to origination and reversal of temporary differences	(86,48,44,992)	(85,49,18,451)
Write-down of deferred tax asset (other than on unused tax losses and unused tax credits)	-	(40,74,491)
Deferred tax asset recognised on unused tax credit or unused tax losses	63,63,18,034	24,03,68,655
<b>Total tax charge</b>	<b>(36,06,43,303)</b>	<b>(51,04,50,343)</b>
Current tax	(13,21,16,345)	10,81,73,943
Deferred tax	(22,85,26,958)	(61,86,24,286)

(b) Reconciliation of total tax charge :

Particulars	31 March 2021	31 March 2020
Accounting profit before tax as per financial statements	(4,39,27,26,953)	(1,12,62,72,427)
Tax rate (in percentage)	34.94%	34.94%
Income tax expense calculated based on this tax rate	(1,53,49,94,506)	(39,35,64,637)
Adjustment in respect of current income tax of prior years	(13,21,16,345)	(43,76,284)
Effect of Income not subject to tax:		
Long term capital gain on sale of shares	-	(9,06,68,399)
Others - Group	(23,91,28,668)	-
Effect of non-deductible expenses:		
Others - bonus reversal and other disallowable	(2,21,58,487)	(1,48,46,953)
Others - Group	4,14,62,987	(6,47,48,826)
Effect of non recognition of deferred tax asset on current period losses	1,46,21,75,127	-
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised OR deferred tax assets on losses earlier recognised now considered not recoverable	21,35,98,799	-
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	(13,96,06,844)	-
Write-down of available tax credits which are not considered recoverable (for example, Minimum Alternate Tax credit)	-	9,05,48,500
Impact of tax rate changes	-	(2,88,23,736)
Others	(98,75,366)	(39,70,009)
<b>Tax charge for the year recorded in statement of profit and loss</b>	<b>(36,06,43,303)</b>	<b>(51,04,50,343)</b>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 16.1 Income tax

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

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2020-21)			Closing deferred tax asset / (liability) as per Ind AS
		Recognised in statement of profit and loss	Recognised in other comprehensive income	Total movement	
<b>Deferred taxes in relation to:</b>					
Property, plant and equipment	(4,76,74,462)	21,97,118	-	21,97,118	(4,54,77,344)
Intangible assets	(1,23,11,867)	(89,84,336)	-	(89,84,336)	(2,12,96,203)
Fair valuation of stock in trade	(1,44,04,118)	1,44,04,118	-	1,44,04,118	-
Other investments (debt securities)	-	-	-	-	-
Other investments (equity instruments)	(2,75,30,787)	2,53,87,469	-	2,53,87,469	(21,43,318)
Other investments (AIF Funds) Group	(12,73,30,592)	5,83,35,789	-	5,83,35,789	(6,89,94,803)
Other investments (AIF Funds)	(5,83,440)	(3,86,44,427)	-	(3,86,44,427)	(3,92,27,867)
Credit substitute	31,93,89,221	(21,28,45,411)	-	(21,28,45,411)	10,65,43,810
Trade receivable	1,33,50,337	(57,17,283)	-	(57,17,283)	76,33,054
Fair valuation of derivatives	53,26,23,460	(53,00,86,259)	-	(53,00,86,259)	25,37,201
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	14,98,20,155	77,59,24,878	-	77,59,24,878	92,57,45,033
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	-	13,96,06,546	-	13,96,06,546	13,96,06,546
Others	3,94,63,115	91,50,786	(2,02,326)	89,48,460	4,84,11,575
<b>Total</b>	<b>62,48,11,022</b>	<b>22,87,28,988</b>	<b>-2,02,326</b>	<b>22,85,26,662</b>	<b>1,05,33,37,684</b>

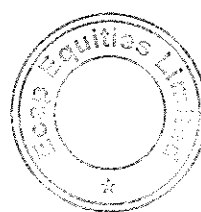
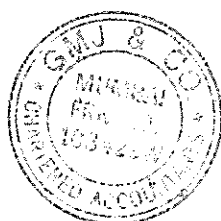
	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2019-20)			Closing deferred tax asset / (liability) as per Ind AS
		Recognised in statement of profit and loss	Recognised in other comprehensive income	Total movement	
<b>Deferred taxes in relation to:</b>					
Property, plant and equipment	(3,67,12,548)	(1,09,61,914)	-	(1,09,61,914)	(4,76,74,462)
Intangible assets	(93,17,089)	(29,94,778)	-	(29,94,778)	(1,23,11,867)
Fair valuation of stock in trade	(5,98,95,680)	4,54,91,562	-	4,54,91,562	(1,44,04,118)
Other investments (debt securities)	(13,67,136)	13,67,136	-	13,67,136	-
Other investments (equity instruments)	(15,31,31,718)	12,56,00,931	-	12,56,00,931	(2,75,30,787)
Other investments (AIF Funds) Group	(6,80,27,745)	(5,93,02,847)	-	(5,93,02,847)	(12,73,30,592)
Other investments (AIF Funds)	(40,74,492)	34,91,052	-	34,91,052	(5,83,440)
Credit substitute	47,41,98,476	(15,48,09,255)	-	(15,48,09,255)	31,93,89,221
Trade receivable	40,19,335	93,31,002	-	93,31,002	1,33,50,337
Fair valuation of derivatives	(8,72,99,530)	61,99,22,990	-	61,99,22,990	53,26,23,460
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	-	14,98,20,155	-	14,98,20,155	14,98,20,155
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	9,05,48,498	(9,05,48,498)	-	(9,05,48,498)	-
Others	5,72,46,365	(1,76,78,767)	(1,04,483)	(1,77,83,250)	3,94,63,115
<b>Total</b>	<b>20,61,86,736</b>	<b>61,87,28,769</b>	<b>(1,04,483)</b>	<b>61,86,24,286</b>	<b>82,48,11,022</b>

<b>Break-up of recognition of current tax</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
In statement of profit and loss	(13,21,16,345)	10,81,73,943
In other comprehensive income	2,02,326	1,04,483

<b>Break-up of income tax recorded in OCI</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Deferred tax		
Employee benefits obligations	2,02,326	1,04,483

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

As at 31 March 2021	Unused business loss	
Financial Year ending	Amount	Loss Expiry year
31 March 2021	4,18,43,63,255	31 March 2029
<b>Total</b>	<b>4,18,43,63,255</b>	



17 Investment property

Description of assets	Gross block				Depreciation		Net block	
	As at 1 April 2020	Additions during the year	Acquisitions on account of merger	Disposals during the year	As at 31 March 2021	Charge for the year	Disposals during the year	As at 31 March 2021
Building	98,36,92,520	-	-	-	98,36,92,520	4,21,69,646	-	80,12,23,271
Total	98,36,92,520	-	-	-	98,36,92,520	4,21,69,646	-	80,12,23,271

18 Property, plant and equipment

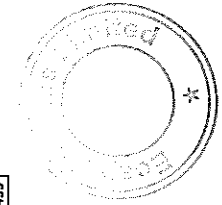
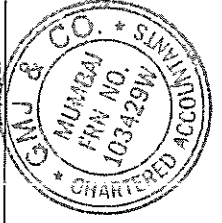
Description of assets	Gross block				Depreciation		Net block	
	As at 1 April 2020	Additions during the year	Acquisitions on account of merger	Disposals during the year	As at 31 March 2021	Charge for the year	Disposals during the year	As at 31 March 2021
Leasehold improvements	8,39,066	-	-	8,39,066	-	-	8,39,066	-
Furniture and fittings	2,41,67,625	1,20,899	-	17,04,046	2,25,84,478	26,74,287	13,01,417	75,36,456
Motor vehicles	27,79,442	-	-	-	27,79,442	4,93,298	-	8,61,697
Office equipments	4,88,06,111	2,69,594	-	5,35,827	4,85,39,878	34,00,640	5,07,597	58,36,291
Computers	3,72,61,666	7,37,735	-	44,83,974	3,35,15,427	37,50,719	41,91,439	60,23,075
Total	11,38,59,910	11,28,228	-	75,62,913	10,74,19,225	1,03,18,944	68,39,319	2,02,59,519

19 Goodwill

Description of assets	Gross block				Depreciation		Net block	
	As at 1 April 2020	Additions during the year	Acquisitions on account of merger	Disposals during the year	As at 31 March 2021	Charge for the year	Disposals during the year	As at 31 March 2021
Goodwill	6,09,43,805	-	-	-	6,09,43,805	-	-	6,09,43,805
Total	6,09,43,805	-	-	-	6,09,43,805	-	-	6,09,43,805

20 Other intangible assets

Description of assets	Gross block				Depreciation		Net block	
	As at 1 April 2020	Additions during the year	Acquisitions on account of merger	Disposals during the year	As at 31 March 2021	Charge for the year	Disposals during the year	As at 31 March 2021
Computer software	5,60,44,142	23,078	-	-	5,60,67,220	1,57,05,927	-	75,38,586
Total	5,60,44,142	23,078	-	-	5,60,67,220	1,57,05,927	-	75,38,586



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian Rupees)

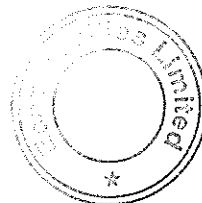
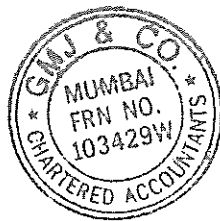
	As at 31 March 2021	As at 31 March 2020
<b>21 Other non-financial assets</b>		
Input tax credit	46,59,798	11,39,83,232
Other deposits	7,700	3,64,059
Prepaid expenses	44,69,150	41,46,287
Vendor advances	60,41,795	1,21,38,105
Advances recoverable in cash or in kind or for value to be received	-	19,153
Advances to employees	2,056	1,52,096
	<u>1,51,80,499</u>	<u>13,08,02,932</u>

### 22 Trade payables

Trade payables from non-related parties	3,10,51,464	4,46,57,681
Trade payables from related parties	3,44,48,491	11,88,66,326
	<u>6,54,99,945</u>	<u>16,35,24,007</u>

#### 22.1 Details of dues to micro and small enterprises

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



**ECap Equities Limited**

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

**23 Debt securities  
at amortised cost:**

Particulars	31 March 2021	31 March 2020
Non-convertible debentures*	19,32,41,23,063	20,08,47,95,813
<b>Total - Gross (A)</b>	<b>19,32,41,23,063</b>	<b>20,08,47,95,813</b>
(i) Debt securities outside India	-	-
(ii) Debt securities in India	19,32,41,23,063	20,08,47,95,813
<b>Total (B)</b>	<b>19,32,41,23,063</b>	<b>20,08,47,95,813</b>

\* (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)

Following is the repayment schedule of Debt Securities

**Debt Securities as at 31 March 2021**

Maturities	<1 years	1-3 years	> 3 years	Total
Various (benchmark linked)	8,09,59,73,134	11,00,11,64,303	22,69,85,626	19,32,41,23,063
<b>Total</b>	<b>8,09,59,73,134</b>	<b>11,00,11,64,303</b>	<b>22,69,85,626</b>	<b>19,32,41,23,063</b>

**Debt Securities as at 31 March 2020**

Maturities	<1 years	1-3 years	> 3 years	Total
Various (benchmark linked)	10,23,29,63,739	9,46,72,80,473	38,45,51,601	20,08,47,95,813
<b>Total</b>	<b>10,23,29,63,739</b>	<b>9,46,72,80,473</b>	<b>38,45,51,601</b>	<b>20,08,47,95,813</b>

**24 Borrowings (other than debt securities)  
at amortised cost:**

Particulars	31 March 2021	31 March 2020
<b>Secured</b>		
Term loans		
From other financial institutions*	-	16,02,18,490
<b>Total - Gross</b>	<b>-</b>	<b>16,02,18,490</b>
<b>Unsecured</b>		
Loans repayable on demand		
From related parties **	14,58,02,86,604	9,13,84,93,099
<b>Total - Gross (B)</b>	<b>14,58,02,86,604</b>	<b>9,13,84,93,099</b>
<b>Total (A+B)</b>	<b>14,58,02,86,604</b>	<b>9,29,87,11,589</b>
(i) Borrowings outside India	-	-
(ii) Borrowings in India	14,58,02,86,604	9,29,87,11,589
<b>Total (C)</b>	<b>14,58,02,86,604</b>	<b>9,29,87,11,589</b>

\* At interest rate of 10.50%

(secured against immovable property, movable and current assets and hypothecation is created over all current and future furniture and fittings)

\*\* At interest rate ranging from 10.35% to 16.00% p.a. (Previous year interest rate ranging from 11.60% to 17.40%)

Following is the repayment schedule of Borrowings (other than debt securities)

**Term loans from Others - Secured as at 31 March 2021**

Maturities	<1 years	1-3 years	> 3 years	Total
10.00 - 10.99%	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Term loans from Others - Secured as at 31 March 2020**

Maturities	<1 years	1-3 years	> 3 years	Total
10.00 - 10.99%	16,02,18,490	-	-	16,02,18,490
<b>Total</b>	<b>16,02,18,490</b>	<b>-</b>	<b>-</b>	<b>16,02,18,490</b>

**25 Deposits  
at amortised cost:**

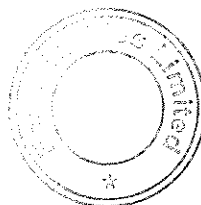
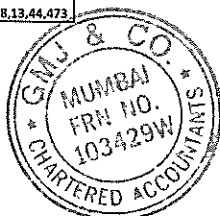
Particulars	31 March 2021	31 March 2020
<b>Inter corporate deposits</b>		
From other parties*	5,84,74,623	2,16,89,68,081
From related parties**	-	44,65,24,000
<b>Total - Gross</b>	<b>5,84,74,623</b>	<b>2,61,54,92,081</b>
(i) Borrowings outside India	-	-
(ii) Borrowings in India	5,84,74,623	2,61,54,92,081
<b>Total</b>	<b>5,84,74,623</b>	<b>2,61,54,92,081</b>

\* Unsecured, repayable on demand, interest rate ranging from 6.55% to 7.00% p.a. (Previous year interest rate ranging from 6.00% to 10.50% p.a.)

\*\* (Unsecured, repayable on demand, interest rate at 11.50% p.a.)

**26 Subordinated liabilities  
at amortised cost:**

Particulars	31 March 2021	31 March 2020
Preference share capital (Related party)	1,00,00,00,000	88,13,44,473
<b>Total - Gross</b>	<b>1,00,00,00,000</b>	<b>88,13,44,473</b>
(i) Borrowings outside India	-	-
(ii) Borrowings in India	1,00,00,00,000	88,13,44,473
<b>Total</b>	<b>1,00,00,00,000</b>	<b>88,13,44,473</b>

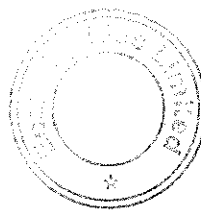


## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2021	As at 31 March 2020
<b>27 Other financial liabilities</b>		
Other payables	1,87,77,755	2,06,14,113
Accrued salaries and benefits	11,47,39,459	9,83,767
Rental deposits	20,91,74,400	20,91,74,400
Payable to exchange / clearing house (net)	2,29,88,269	12,07,73,625
Retention money payable	75,58,113	4,07,39,207
Interest accrued on debt securities	6,575	-
Nomination deposits payables	-	1,00,000
	<b>37,32,44,571</b>	<b>39,23,85,112</b>
<b>28 Current tax liabilities (net)</b>		
Provision for taxation (net)	3,58,05,574	2,47,42,573
	<b>3,58,05,574</b>	<b>2,47,42,573</b>
<b>29 Provisions</b>		
Gratuity	77,92,001	1,04,93,001
Compensated leave absences	6,14,225	21,98,000
	<b>84,06,226</b>	<b>1,26,91,001</b>
<b>30 Other non-financial liabilities</b>		
Income received in advance	6,68,878	6,45,377
Other payable	5,93,404	6,12,557
Withholding taxes, Goods and service tax and other taxes payable	2,25,19,441	14,77,13,783
	<b>2,37,81,723</b>	<b>14,89,71,717</b>



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian Rupees)

#### 31 Equity share capital

##### Authorised :

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

40,000,000 (Previous year: 40,000,000) preference shares of Rs. 10 each

	As at 31 March 2021	As at 31 March 2020
	10,00,00,000	10,00,00,000
	40,00,00,000	40,00,00,000
	50,00,00,000	50,00,00,000

##### Issued, subscribed and paid up:

740,000 (Previous year: 740,000) equity shares of Rs. 10 each

	74,00,000	74,00,000
	74,00,000	74,00,000

#### a. Movement in share capital :

	31 March 2021		31 March 2020	
	No. of shares	Amount	No. of shares	Amount
	7,40,000	74,00,000	7,40,000	74,00,000
	-	-	-	-
	7,40,000	74,00,000	7,40,000	74,00,000

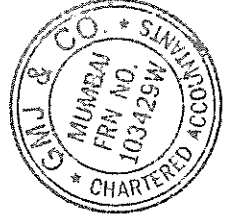
#### b. Terms/rights attached to equity shares :

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

#### c. Shares held by holding Company

31 March 2021		31 March 2020	
No. of shares	%	No. of shares	%
7,40,000	100%	7,40,000	100%
7,40,000	100%	7,40,000	100%

Edelweiss Financial Services Limited, the holding company and its nominees





## ECap Equities Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

### 32 Instruments entirely equity in nature

0.001% Compulsorily Convertible Debentures (CCDs) of Rs.1000 each.

	31 March 2021	31 March 2020
	40,00,000	4,00,00,00,000
	40,00,000	4,00,00,00,000

#### a. Movement in instruments during the year :

0.01% Compulsorily Convertible Debentures (CCDs)

Outstanding at the beginning of the year

Issued during the year

Outstanding at the end of the year

	31 March 2021	31 March 2020
	No of CCDs	No of CCDs
	Amount	Amount
	40,00,000	4,00,00,00,000
	40,00,000	4,00,00,00,000

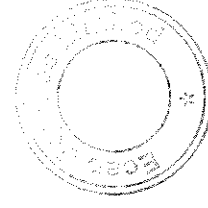
#### b. Terms/rights attached to Instruments entirely equity in nature :

The interest rate is 0.01% per annum and CCDs will be convertible into equity shares within period not exceeding 5 years from the date of issue.

#### c. Details of holders holding more than 5%

Edelweiss Rural and Corporate Services Limited

	31 March 2021	31 March 2020
	No. of CCD's	No. of CCD's
	%	%
	40,00,000	100%
	40,00,000	100%

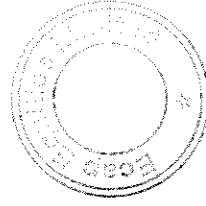
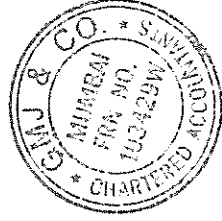


# **ECap Equities Limited**

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2021	As at 31 March 2020
<b>33 Other equity</b>		
Capital Reserve - Opening balance	(10,55,91,678)	(10,55,91,678)
Add : Additions during the year	(10,55,91,678)	(10,55,91,678)
	<u>3,10,00,000</u>	<u>3,10,00,000</u>
<b>Capital redemption reserve</b>		
Add : Additions during the year	<u>3,10,00,000</u>	<u>3,10,00,000</u>
	<u>1,42,90,43,864</u>	<u>1,78,49,23,734</u>
<b>Securities premium</b>		
Add : Additions during on issue of equity shares	-	-
Add : Additions during on issue of debentures	-	8,77,63,373
Less: Use of premium for redemption of Debentures	-	(18,29,99,623)
Less:- Transferred to Debenture Liability	-	(26,06,43,620)
	<u>1,42,90,43,864</u>	<u>1,42,90,43,864</u>
<b>Debenture redemption reserve</b>		
Add : Additions during the year	<u>1,05,14,13,292</u>	<u>1,05,14,13,292</u>
	<u>1,05,14,13,292</u>	<u>1,05,14,13,292</u>
<b>Deemed capital contribution - ESOP</b>		
Add : Additions during the year	<u>2,09,21,062</u>	<u>2,09,21,062</u>
	<u>2,09,21,062</u>	<u>2,09,21,062</u>
<b>Retained Earnings</b>		
Opening Balance	(1,28,80,50,698)	5,65,82,003
Add: Profit for the year	(4,03,18,81,324)	(61,57,17,601)
Add: Other comprehensive income for the year	(7,81,326)	(84,78,96,483)
Add: Transactions with shareholders in their capacity as such	-	11,89,81,383
	<u>(5,32,07,13,348)</u>	<u>(1,28,80,50,698)</u>
	<u>(2,89,39,26,808)</u>	<u>1,13,87,35,842</u>

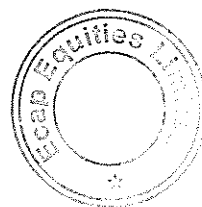
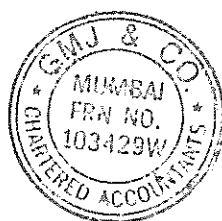


**ECap Equities Limited****Notes to the financial statements (Continued)**

(Currency : Indian rupees)

**34 Interest income**

	For the year ended 31 March 2021			For the year ended 31 March 2020		
	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
<b>Particulars</b>						
Interest on loans	1,80,10,49,674	-	1,80,10,49,674	3,45,88,26,371	-	3,45,88,26,371
Interest Income from investments	63,35,66,190	97,79,26,023	1,61,14,92,213	18,52,93,115	89,48,31,521	1,08,01,24,636
Interest on deposits with banks	11,50,684	-	11,50,684	9,92,40,728	-	9,92,40,728
Interest on margin with brokers	22,72,591	-	22,72,591	14,60,38,473	-	14,60,38,473
Other interest income	1,20,99,999	-	1,20,99,999	8,76,977	-	8,76,977
<b>Total</b>	<b>2,45,01,39,138</b>	<b>97,79,26,023</b>	<b>3,42,80,65,161</b>	<b>3,89,02,75,664</b>	<b>89,48,31,521</b>	<b>4,78,51,07,185</b>

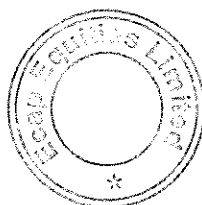


# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from operations</b>		
<b>35 Dividend income</b>		
Dividend on stock in trade	48,70,245	4,93,108
Dividend on long term investment	25,09,46,200	-
	<b>25,58,16,445</b>	<b>4,93,108</b>
<b>36 Rental income</b>		
Rental income	27,80,49,116	26,31,91,685
	<b>27,80,49,116</b>	<b>26,31,91,685</b>
<b>37 Fee income</b>		
Income from securities broking	-	4,52,026
Advisory and other fees	7,15,94,577	18,71,07,865
	<b>7,15,94,577</b>	<b>18,75,59,891</b>
<b>37.1 Fee income</b>		
Service transferred at a point in time	7,15,94,577	18,75,59,891
Service transferred over time	-	-
<b>Total revenue from contract with customers</b>	<b>7,15,94,577</b>	<b>18,75,59,891</b>
<b>38 Net gain on fair value changes</b>		
Loss on trading of securities (net)	(46,95,33,932)	(96,68,02,164)
Profit on equity derivative instruments (net)	2,04,79,00,621	56,01,62,766
Profit on commodity derivative instruments (net)	(22,86,812)	49,48,942
Loss on trading in currency derivative instruments (net)	-	8,89,56,441
Profit/(loss) on interest rate derivative instruments (net)	-	(4,19,97,708)
Profit/(loss) on sale of long term investment	35,19,96,051	1,18,39,52,967
Income distribution from Fund	3,40,12,996	10,66,31,395
Share of loss in partnership firm	(80,32,404)	(11,45,454)
<b>Total net gain on fair value changes</b>	<b>1,95,40,56,520</b>	<b>93,47,07,185</b>
<b>Fair value changes:</b>		
Realised gain	1,72,16,88,405	3,50,09,51,488
Unrealised (loss)/gain	23,23,68,115	(2,56,62,44,303)
<b>Total net gain on fair value changes</b>	<b>1,95,40,56,520</b>	<b>93,47,07,185</b>
<b>39 Other income</b>		
Net gain/(loss) on derecognition of property, plant and equipment	-	3,49,216
Liabilities written back	2,96,52,665	-
Net gain or loss on foreign currency transaction and translation (other than considered as finance cost)	-	(19,111)
Others	5,36,005	87,27,115
	<b>3,01,88,670</b>	<b>90,57,220</b>



**ECap Equities Limited**

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

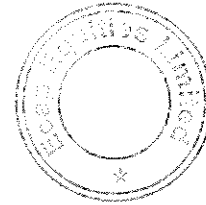
(Currency : Indian rupees)

**40 Finance costs**

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	On Financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total	On Financial liabilities measured at fair value through profit or loss	On financial liabilities measured at amortised cost	Total
Interest on deposits	-	5,79,97,858	5,79,97,858	-	5,24,62,084	5,24,62,084
Interest on borrowings	-	2,11,69,13,157	2,11,69,13,157	-	1,36,89,61,920	1,36,89,61,920
Interest on debt securities	-	2,17,44,80,500	2,17,44,80,500	-	3,00,65,47,873	3,00,65,47,873
Interest on subordinated liabilities	-	11,86,55,527	11,86,55,527	-	3,25,856	3,25,856
Interest on SLBM trades	-	38,10,325	38,10,325	-	3,25,49,588	3,25,49,588
Financial and bank charges	-	17,04,05,471	17,04,05,471	-	36,80,47,732	36,80,47,732
Other interest expense	-	2,07,99,671	2,07,99,671	-	90,72,834	90,72,834
<b>Total</b>	-	<b>4,66,30,62,509</b>	<b>4,66,30,62,509</b>	-	<b>4,83,79,67,887</b>	<b>4,83,79,67,887</b>

**41 Impairment on financial instruments**

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
	On financial instruments measured at fair value through profit and loss	On financial instruments measured at amortised cost	Total	On financial instruments measured at fair value through profit and loss	On financial instruments measured at amortised cost	Total
Loans	-	4,25,81,49,888	4,25,81,49,888	-	1,65,65,70,513	1,65,65,70,513
Investments	58,68,10,266	-	58,68,10,266	-	-	-
Trade receivables	-	31,82,597	31,82,597	-	2,97,18,563	2,97,18,563
<b>Total</b>	<b>58,68,10,266</b>	<b>4,26,13,32,485</b>	<b>4,84,81,42,751</b>	-	<b>1,68,62,89,076</b>	<b>1,68,62,89,076</b>



## ECap Equities Limited

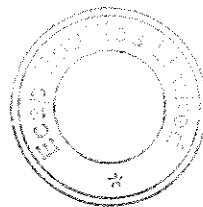
### Notes to the financial statements (Continued)


(Currency : Indian rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>42 Employee benefit expenses</b>		
Salaries and wages	19,41,59,722	25,00,95,893
Contribution to provident and other funds	16,05,566	39,69,889
Expense on employee stock option scheme (ESOP)	49,78,208	67,62,704
Staff welfare expenses	13,34,446	63,97,837
Expense on Employee Stock Appreciation Rights	83,72,847	66,14,142
	<b>21,04,50,789</b>	<b>27,38,40,465</b>

#### 42.1 Employee stock option plans

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



**Notes to the financial statements (Continued)**  
**(Currency : Indian rupees)**

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

(Currency : Indian rupees)

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

The Company has incurred an amount of Rs. 12,64,712 (Previous year: Rs. 957,432) in foreign currency towards 'staff training expenses'. Earning in foreign exchange is Rs. 4,41,028 (Previous year: Nil).

**(b) Operating leases**

The Company has taken various premises on operating lease. Gross rental expenses for the year ended 31 March 2021 aggregated to Rs. 8,12,397 (Previous year: Rs. 1,429,288) which has been included under the head Operating expenses – Rent.

**(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.

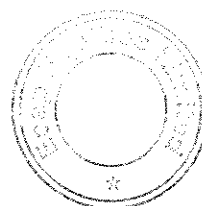
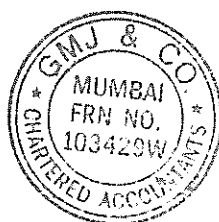
**(d) Corporate social responsibility (CSR)**

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. 29,10,890/-

(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. 29,00,000	Rs. 10,890	Rs. 29,10,890





**ECap Equities Limited**

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

(Currency: Indian Rupees)

**44. 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

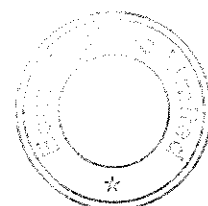
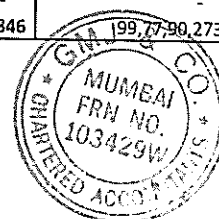
Income for each segment has been specifically identified. Expenditures, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

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 2021	For the year ended 31 March 2020
<b>Segment revenue</b>		
I a) Capital based business	3,12,30,62,958	4,74,81,58,674
b) Agency business	7,21,00,091	18,75,89,851
c) Treasury	2,82,24,68,762	1,23,73,50,567
d) Unallocated	(2,86,504)	80,71,309
<b>Total</b>	<b>6,01,73,45,307</b>	<b>6,18,11,70,401</b>
Less : Inter segment revenue	-	-
<b>Total income</b>	<b>6,01,73,45,307</b>	<b>6,18,11,70,401</b>
<b>II Segment results</b>		
a) Capital based business	(4,94,53,66,952)	(90,37,22,456)
b) Agency business	6,14,80,328	14,19,17,976
c) Treasury	49,49,93,959	(37,24,47,521)
d) Unallocated	(38,34,288)	79,79,574
<b>Total</b>	<b>(4,39,27,26,953)</b>	<b>(1,12,62,72,427)</b>
<b>Profit before taxation</b>	<b>(4,39,27,26,953)</b>	<b>(1,12,62,72,427)</b>
Less : Provision for taxation	(36,08,45,629)	(51,05,54,826)
<b>Profit after taxation</b>	<b>(4,03,18,81,324)</b>	<b>(61,57,17,601)</b>
<b>III Segment assets</b>		
a) Capital based business	19,06,29,04,053	25,69,74,28,506
b) Agency business	18,02,419	6,53,40,937
c) Treasury	17,20,09,30,351	10,01,98,88,266
d) Unallocated	1,73,41,94,464	1,60,10,99,415
<b>Total</b>	<b>37,99,98,31,287</b>	<b>37,38,37,57,124</b>
<b>IV Segment liabilities</b>		
a) Capital based business	19,78,29,49,619	24,27,18,02,779
b) Agency business	32,54,097	52,29,728
c) Treasury	17,04,57,07,251	11,78,80,32,418
d) Unallocated	5,83,25,015	17,25,56,356
<b>Total</b>	<b>36,89,02,35,981</b>	<b>36,23,76,21,282</b>
<b>V Capital expenditure (Including capital work-in-progress)</b>		
a) Capital based business	5,94,831	40,46,544
b) Agency business	13,767	1,57,002
c) Treasury	5,42,707	10,35,595
d) Unallocated	-	-
<b>Total</b>	<b>11,51,305</b>	<b>52,39,141</b>
<b>VI Depreciation and amortisation</b>		
a) Capital based business	5,91,77,682	6,97,92,656
b) Agency business	2,23,079	4,60,683
c) Treasury	87,93,756	30,38,686
d) Unallocated	-	-
<b>Total</b>	<b>6,81,94,517</b>	<b>7,32,92,025</b>
<b>VII Significant non-cash expenses other than depreciation</b>		
a) Capital based business	4,83,32,25,635	96,79,53,125
b) Agency business	22,59,309	2,97,77,216
c) Treasury	2,03,17,902	59,932
d) Unallocated	-	-
<b>Total</b>	<b>4,85,58,02,846</b>	<b>99,77,90,273</b>



# ECap Equities Limited

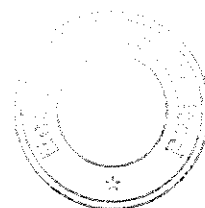
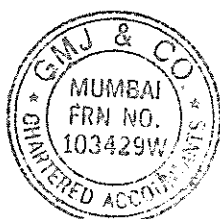
## Notes to the financial statements (continued)

(Currency: Indian Rupees)

### 45 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 Edel Investments Limited Edelweiss Finvest Limited (upto 04 May 2020) Lichen Metals Private Limited (upto 30-Mar-2021) 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 Finvest Limited (merged with Edel Finance Company Limited) Edelweiss Global Wealth Management Limited Edelweiss Finance & Investments Limited Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Capital Services Limited Edelweiss Comtrade Limited Edelweiss Housing Finance Limited Edelgive Foundation Edelweiss Gallagher Insurance Brokers Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Trusteeship Company Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Investment Advisors Limited Edelweiss Asset Management Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Custodial Services Limited ESL Securities Limited Edelweiss Multi Strategy Fund Advisors LLP Edel Finance Company Limited Allium Finance Private Limited Edelweiss Interantional (Singapore) Pte Limited Edel Land Limited Edelweiss General Insurance Company 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 India Credit Investment Fund II Edelweiss Value and Growth Fund Edelweiss Private Equity Tech fund EW Clover Scheme (closed wef 29-Feb-2020)
Executive Directors	Rujan Panjwani



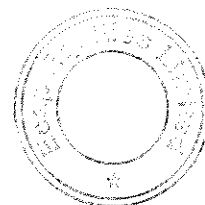
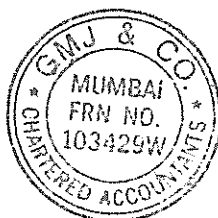
# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

### ii. Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
	<b>Capital account transactions during the year</b>			
1	Investment in equity shares of	Edel Investments Limited Edelweiss Securities Limited	- 3,10,49,98,775	2,59,54,64,000 -
2	Investment in AIF fund of	Edelweiss Value and Growth Fund Edelweiss Private Equity Tech fund India Credit Investment Fund II	13,11,703 - 1,58,89,65,604	50,605 33,97,404 -
3	Investment in partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	-	1,50,00,00,000
4	Investment in preference shares of	Edelcap Securities Limited Edel Investments Limited Edelweiss Rural & Corporate Services Limited	4,37,62,50,000 30,00,00,000 32,58,31,788	4,37,62,50,000 30,00,00,000 -
5	Investment in optionally convertible debentures of	Retra Ventures Pvt. Limited	-	4,37,66,667
6	Investment in debt instruments of	ECL Finance Limited	12,26,67,090	-
7	Issue of preference shares (including premium) to	Edelweiss Rural & Corporate Services Limited Edelweiss Financial Services Limited	- 1,00,00,00,000	1,00,00,00,000 -
8	Issue of compulsorily convertible debentures to	Edelweiss Rural & Corporate Services Limited	4,00,00,00,000	-
9	Purchase of equity shares from	Edelweiss Securities Trading and Management Pvt. Ltd Edelweiss Securities And Investments Private Limited Edelweiss Finvest Limited Edelweiss Rural & Corporate Services Limited	- - 19,11,09,090 63,872	6,63,11,000 6,63,11,000 - -
10	Purchase of preference shares from	Edelweiss Securities Limited	72,83,00,000	44,65,24,000
11	Redemption of preference shares of	Edelcap Securities Limited Edel Investments Limited	4,37,62,50,000 30,00,00,000	2,07,00,00,000 -
12	Redemption of preference shares issued to	Edelweiss Rural & Corporate Services Limited	1,00,00,00,000	-
13	Withdrawal of capital from partnership firm	Edelweiss Resolution Advisors LLP	-	32,990
14	Purchase of units of funds from	Edelweiss Global Wealth Management Limited Edelweiss Finvest Limited	39,12,06,058 3,23,06,54,920	- -
15	Sale of equity shares to	Edel Land Limited Edelweiss Finvest Limited Edelweiss Financial Services Limited Edelweiss Global Wealth Management Limited	- - 4,10,07,57,569 3,34,65,75,675	82,90,24,623 20,51,91,785 -
16	Sale of units of funds to	Edelweiss Finvest Limited Edelweiss Global Wealth Management Limited	- 39,12,08,824	1,65,34,15,830 -
17	Sale of loans to	Edelweiss Finvest Limited	50,00,00,000	4,70,47,68,208
18	Sale of warrants to	Lichen Metals Private Limited	10,51,44,953	-



# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
	<b>Current account transactions during the year</b>			
19	Short term loans taken from (Max basis)	Edelweiss Rural & Corporate Services Limited	8,19,53,50,000	23,02,04,55,228
		Edelweiss Securities And Investments Private Limited	2,54,00,000	25,29,58,779
		Edelweiss Finvest Limited	11,88,20,00,000	1,00,50,00,000
		Edelweiss Finance & Investments Limited	56,95,00,000	59,95,00,000
		Edelcap Securities Limited	1,06,63,18,033	1,81,33,13,000
		ECL Finance Limited	1,60,00,00,000	-
		Edelweiss Financial Services Limited	10,34,65,49,315	-
		Allium Finance Private Limited	8,85,00,000	-
		Edelweiss Retail Finance Limited	2,20,00,00,000	-
		Edel Finance Company Limited	1,13,20,00,000	-
20	Short term loans taken from (Total basis)	Edelweiss Rural & Corporate Services Limited	96,69,99,14,290	1,14,49,37,63,823
		Edelweiss Securities And Investments Private Limited	3,52,88,249	2,43,23,39,048
		Edelweiss Finvest Limited	32,64,55,00,000	3,26,00,00,000
		Edelweiss Finance & Investments Limited	1,77,41,19,076	59,95,00,000
		Edelcap Securities Limited	5,40,75,49,032	3,61,05,90,991
		ECL Finance Limited	5,80,00,00,000	-
		Edelweiss Financial Services Limited	35,25,72,47,945	-
		Allium Finance Private Limited	18,79,00,000	-
		Edelweiss Retail Finance Limited	4,39,77,00,000	-
		Edel Finance Company Limited	1,13,20,00,000	-
21	Short term loans repaid to (Max basis)	Edelweiss Rural & Corporate Services Limited	10,60,85,00,000	16,17,74,81,450
		Edelweiss Securities And Investments Private Limited	2,52,00,000	25,34,58,779
		Edelweiss Finance & Investments Limited	78,00,00,000	3,00,00,000
		Edelcap Securities Limited	1,57,22,03,139	1,36,81,53,073
		ECL Finance Limited	1,94,00,00,000	-
		Edelweiss Finvest Limited	7,02,00,00,000	-
		Edelweiss Retail Finance Limited	2,41,00,00,000	-
		Edelweiss Financial Services Limited	10,30,00,00,000	-
		Allium Finance Private Limited	17,67,00,000	-
22	Short term loans repaid to (Total basis)	Edelweiss Rural & Corporate Services Limited	97,64,03,40,384	1,07,65,07,90,044
		Edelweiss Securities And Investments Private Limited	3,52,88,249	2,43,28,39,048
		Edelweiss Finance & Investments Limited	2,34,36,19,076	3,00,00,000
		Edelcap Securities Limited	5,85,27,08,959	3,16,54,31,064
		ECL Finance Limited	5,80,00,00,000	-
		Edelweiss Finvest Limited	26,51,28,00,000	2,25,50,00,000
		Edelweiss Retail Finance Limited	4,39,77,00,000	-
		Edelweiss Financial Services Limited	35,25,72,47,945	-
		Allium Finance Private Limited	18,50,00,000	-
23	Short term loans given to (Max basis)	Edelweiss Rural & Corporate Services Limited	5,46,88,32,263	11,92,02,88,106
		Edelweiss Alternative Asset Advisors Limited	-	3,01,21,200
		Edelweiss Investment Advisors Limited	1,64,00,00,000	1,50,57,63,861
		Edelcap Securities Limited	1,61,70,00,000	1,87,57,53,000
		Edel Land Limited	2,76,60,52,411	4,95,23,13,999
		Edelweiss Finance & Investments Limited	-	4,48,50,00,000
		Edelweiss Securities And Investments Private Limited	33,62,96,044	2,13,18,74,049
		Edel Investments Limited	-	30,50,00,000
		Edelweiss Retail Finance Limited	1,40,00,00,000	-
		Edelweiss Financial Services Limited	5,15,92,00,000	-
		Edelweiss Finvest Limited	1,02,20,00,000	-



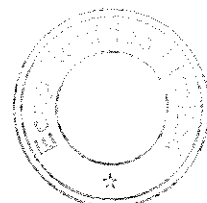
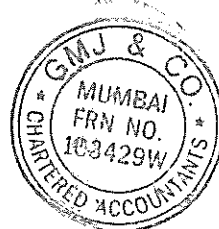
# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
24	Short term loans given to (Total basis)	Edelweiss Rural & Corporate Services Limited	11,80,36,81,029	1,98,16,80,91,370
		Edelweiss Investment Advisors Limited	4,98,97,23,467	7,55,32,94,611
		Edelcap Securities Limited	43,77,96,56,671	21,50,23,61,956
		Edel Land Limited	17,17,51,91,754	13,63,18,21,353
		Edelweiss Securities And Investments Private Limited	81,36,33,124	8,26,77,63,496
		Edelweiss Retail Finance Limited	2,40,00,00,000	-
		Edelweiss Financial Services Limited	7,30,35,01,370	-
		Edelweiss Finvest Limited	1,74,40,00,000	-
		Edel Finance Company Limited	2,85,50,00,000	-
		Edelweiss Finance & Investments Limited	-	22,34,00,00,000
		Edelweiss Broking Limited	-	4,25,00,000
		Edelweiss Alternative Asset Advisors Limited	-	5,02,21,200
		Edel Investments Limited	-	91,60,00,000
25	Long term loan repaid by	Edelweiss Asset Reconstruction Company Limited	-	1,61,00,00,000
26	Short term loans repaid by (Max basis)	Edelweiss Rural & Corporate Services Limited	5,46,88,32,263	11,92,08,82,503
		Edelweiss Investment Advisors Limited	2,90,05,00,000	4,51,50,60,934
		Edelcap Securities Limited	3,16,83,00,000	5,30,23,87,126
		Edel Land Limited	4,63,85,00,000	2,54,10,52,851
		Edelweiss Finance & Investments Limited	-	9,05,10,00,000
		Edelweiss Broking Limited	-	1,77,00,00,000
		Edelweiss Securities And Investments Private Limited	33,62,96,044	1,76,07,99,321
		Edelweiss Alternative Asset Advisors Limited	-	3,01,21,200
		Edel Investments Limited	-	30,50,00,000
		Edel Finance Company Limited	1,20,00,00,000	-
		Edelweiss Retail Finance Limited	1,40,00,00,000	-
		Edelweiss Financial Services Limited	5,15,92,00,000	-
		Edelweiss Finvest Limited	1,74,40,00,000	-
27	Short term loans repaid by (Total basis)	Edelweiss Rural & Corporate Services Limited	11,80,36,81,029	1,98,21,86,84,694
		Edelweiss Investment Advisors Limited	6,49,25,11,666	10,56,25,91,684
		Edelcap Securities Limited	41,40,72,10,717	24,92,89,96,082
		Edel Land Limited	20,19,20,54,763	11,22,05,60,205
		Edelweiss Securities And Investments Private Limited	1,31,97,29,168	7,89,66,88,768
		Edel Finance Company Limited	4,05,50,00,000	-
		Edelweiss Retail Finance Limited	2,40,00,00,000	-
		Edelweiss Financial Services Limited	6,15,13,50,685	-
		Edelweiss Finvest Limited	1,74,40,00,000	-
		Edelweiss Finance & Investments Limited	-	26,90,60,00,000
		Edelweiss Broking Limited	-	1,81,25,00,000
		Edelweiss Alternative Asset Advisors Limited	-	5,02,21,200
		Edel Investments Limited	-	91,60,00,000
28	Share of loss in partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	80,32,900	11,43,135
		Edelweiss Resolution Advisors LLP	-	2,319
29	Share of profit in partnership firm	Edelweiss Resolution Advisors LLP	496	-
30	Margins placed with (Max basis)	Edelweiss Securities Limited	-	96,00,00,000
		Edelweiss Custodial Services Limited	5,09,60,59,785	3,74,83,92,344
		Edelweiss Broking Limited	4,99,00,259	-
		Edel Investments Limited	2,55,402	57,815



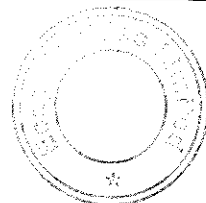
# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
31	Margins placed with (Total basis)	Edelweiss Securities Limited Edelweiss Custodial Services Limited Edelweiss Broking Limited Edel Investments Limited	- 29,04,90,89,902 80,61,80,960 17,33,077	1,67,47,41,417 42,63,58,05,061 - 3,55,516
32	Margins withdrawn from (Max basis)	Edelweiss Securities Limited Edelweiss Custodial Services Limited Edel Investments Limited Edelweiss Broking Limited	- 5,03,42,57,338 2,72,934 5,02,01,962	54,03,19,146 6,28,82,43,572 57,815 -
33	Margins withdrawn from (Total basis)	Edelweiss Securities Limited Edelweiss Custodial Services Limited Edel Investments Limited Edelweiss Broking Limited	- 28,98,72,87,456 17,72,230 80,58,79,257	1,96,42,38,536 45,17,56,56,288 3,83,859 -
34	Inter-corporate deposits accepted from	Edelweiss Securities Limited	-	44,65,24,000
35	Inter-corporate deposits repaid to	Edelweiss Securities Limited	44,65,24,000	-
36	Security deposits accepted from	Edelweiss Housing Finance Limited ECL Finance Limited	- -	8,00,00,000 10,00,00,000
37	Security deposits placed with	Edelweiss Rural & Corporate Services Limited	-	10,00,00,000
38	Amount paid to broker for Cash segment	Edelweiss Securities Limited Edel Investments Limited	24,23,75,68,342 28,80,771	79,42,91,96,492 -
39	Amount received from broker for Cash segment	Edelweiss Securities Limited Edel Investments Limited	22,21,08,86,845 14,83,354	78,55,45,38,829 -
40	Nomination deposits received returned back to	Edelweiss Financial Services Limited	1,00,000	-
41	Purchase of debt securities from	ECL Finance Limited Edelweiss Finvest Limited Edelweiss Finance & Investments Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Rural & Corporate Services Limited Edel Land Limited Edelcap Securities Limited Edelweiss Retail Finance Limited EC Commodity Limited Edel Investments Limited	48,30,86,458 2,96,97,16,444 1,11,55,17,864 3,36,14,47,854 - - 2,24,62,70,221 3,82,34,65,657 13,27,82,664 49,52,36,133 5,60,36,612	7,22,51,34,633 4,90,04,92,692 52,98,99,936 63,34,13,524 7,29,91,021 6,02,24,60,303 - - - - -
42	Sale of debt securities to	ECL Finance Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Finvest Limited Edelweiss Finance & Investments Limited Edelweiss Asset Reconstruction Company Limited Edelcap Securities Limited Edel Investments Limited Edel Land Limited Edelweiss Rural & Corporate Services Limited EC Commodity Limited	18,96,46,415 - 2,01,61,67,216 59,22,71,992 13,79,94,267 1,76,39,29,013 - 2,88,99,85,631 1,30,27,80,575 50,98,93,443	6,00,16,01,885 8,84,80,840 4,79,17,38,923 35,33,12,780 6,57,23,077 1,37,26,96,721 10,16,58,607 - - -



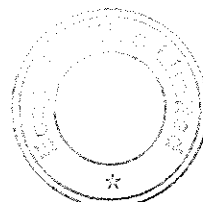
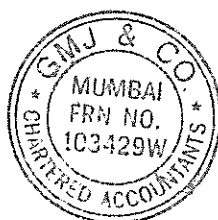
# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
43	Income distribution from	EW Clover Scheme	-	2,95,99,505
44	Redemption of nifty link debentures - (SIT)	ECL Finance Limited	-	1,61,13,46,435
		Edelweiss Asset Reconstruction Company Limited	3,35,64,16,000	63,55,43,560
		Edelweiss Finvest Limited	5,94,67,000	28,50,52,550
		Edelweiss Finance & Investments Limited	47,11,01,384	25,54,57,230
45	Redemption of nifty link debentures	Edelweiss Rural & Corporate Services Limited	2,79,09,30,268	14,81,46,96,400
46	Brokerage earned from	Edelweiss Securities Limited	-	4,52,026
47	Rent income from	Edelweiss Financial Services Limited	6,50,156	22,42,225
		Edelweiss Securities Limited	1,47,31,223	94,04,184
		Edelweiss Finance & Investments Limited	1,40,10,912	4,44,742
		Edelweiss Housing Finance Limited	1,71,40,777	1,75,45,306
		Edelweiss Asset Management Limited	8,59,330	6,87,085
		Edelweiss Gallagher Insurance Brokers Limited	1,94,14,071	19,01,534
		Edelweiss Asset Reconstruction Company Limited	2,52,000	8,08,576
		ECL Finance Limited	2,79,76,168	1,92,25,767
		Edelweiss Global Wealth Management Limited	12,98,434	3,09,824
		Edelweiss Broking Limited	3,90,14,676	6,24,03,000
		Edelweiss Alternative Asset Advisors Limited	22,90,753	26,00,419
		Edelweiss Custodial Services Limited	98,43,373	17,20,066
		Edelweiss Finvest Limited	33,47,678	63,39,913
		Edelweiss Tokio Life Insurance Company Limited	10,67,92,483	10,23,05,413
		Edelweiss Comtrade Limited	4,49,037	6,64,620
		Edelweiss Retail Finance Limited	24,15,308	10,15,324
		Edelweiss General Insurance Company Limited	1,38,30,825	1,44,85,437
		Edelcap Securities Limited	1,04,132	6,88,164
		Edelweiss Rural & Corporate Services Limited	33,85,075	1,84,00,086
		Edelweiss Investment Advisors Limited	73,730	-
		ESL Securities Limited	1,68,975	-
48	Interest income on preference shares of	Edelcap Securities Limited	51,15,86,758	18,52,00,136
		Edel Investments Limited	3,38,56,218	92,979
		Edelweiss Rural & Corporate Services Limited	8,81,23,214	-
49	Interest income on margins placed with	Edelweiss Custodial Services Limited	22,72,591	14,31,37,510
		Edelweiss Securities Limited	-	29,00,963
50	Interest income on security deposits placed with	Edelweiss Rural & Corporate Services Limited	1,20,99,999	3,97,808
51	Interest income on debt instrument of	Edelweiss Finvest Limited	71,60,141	12,88,37,137
		ECL Finance Limited	3,35,30,471	31,43,16,147
		Edelweiss Finance & Investments Limited	2,80,94,024	-
		Edelweiss Rural & Corporate Services Limited	35,48,05,766	10,12,28,251
		Edelweiss Asset Reconstruction Company Limited	54,55,69,973	34,83,71,754
52	Interest expenses on debt instrument of	Edelweiss Rural & Corporate Services Limited	60,06,62,415	2,44,92,40,615
53	Interest expense on compulsorily convertible debentures issued to	Edelweiss Rural & Corporate Services Limited	6,575	-



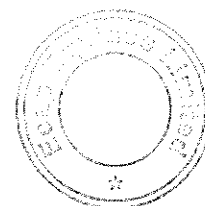
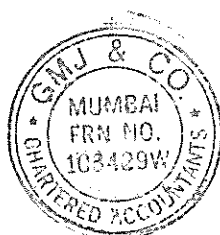
# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
54	Interest income on loans given to	Edelweiss Rural & Corporate Services Limited	-	40,91,49,915
		Edelweiss Finance & Investments Limited	-	2,61,33,128
		Edelweiss Broking Limited	-	7,54,32,587
		Edelweiss Alternative Asset Advisors Limited	-	3,23,009
		Edelweiss Asset Reconstruction Company Limited	-	13,88,55,328
		Edelweiss Investment Advisors Limited	30,68,22,321	56,86,50,040
		EDEL Land Limited	51,51,32,269	19,59,21,526
		Edel Finance Company Limited	6,90,53,393	16,97,31,148
		Edelweiss Securities And Investments Private Limited	69,01,106	4,44,73,393
		Edelcap Securities Limited	12,74,16,614	20,48,07,281
		Edel Investments Limited	-	16,80,000
		Edelweiss Retail Finance Limited	25,02,740	-
		Edelweiss Finvest Limited	2,96,712	-
55	Dividend income from	Lichen Metals Private Limited	16,56,58,680	-
		Edelweiss Securities Limited	8,52,87,520	-
56	Cost reimbursements recovered from	Edelweiss Securities Limited	2,25,710	7,54,910
		Edelweiss Financial Services Limited	39,956	4,543
		Edelweiss Finance & Investments Limited	3,01,345	1,809
		Edelweiss Housing Finance Limited	4,42,692	1,23,881
		Edelcap Securities Limited	8,03,921	60,177
		Edelweiss Rural & Corporate Services Limited	92,07,977	12,60,252
		Edelweiss Asset Management Limited	73,722	2,76,240
		Edelweiss Gallagher Insurance Brokers Limited	5,53,945	55,295
		ECL Finance Limited	6,01,220	1,63,010
		Edelweiss Global Wealth Management Limited	31,113	3,221
		Edelweiss Broking Limited	17,80,413	4,56,795
		Edelweiss Alternative Asset Advisors Limited	65,025	7,351
		Edelweiss Custodial Services Limited	4,11,789	7,161
		Edel Investments Limited	10,715	1,411
		Edelweiss Investment Advisors Limited	357	1,632
		EC Commodity Limited	2,149	2,84,322
		Edel Land Limited	2,647	32,922
		Edelweiss Finvest Limited	23,812	23,545
		Edelweiss Tokio Life Insurance Company Limited	2,86,170	24,078
		Edelweiss Asset Reconstruction Company Limited	75,300	14,587
		Edelweiss Comtrade Limited	3,177	4,868
		Edelweiss Retail Finance Limited	68,174	3,536
		Edelgive foundation	3,042	292
		Lichen Metals Private Limited	381	40
		Edel Finance Company Limited	1,940	214
		Edelweiss General Insurance Company Limited	8,45,473	1,64,090
		Allium Finance Private Limited	464	58
		Edelweiss Securities And Investments Private Limited	10,00,000	10,00,000
		Edelweiss Trusteeship Company Limited	127	-
		Edelweiss Capital Services Limited	220	-





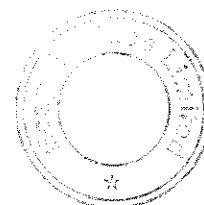
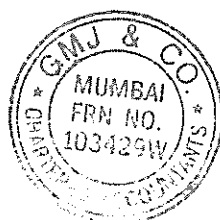
# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
57	Interest expense on loans taken from	Edelcap Securities Limited	2,16,57,111	31,41,888
		Edelweiss Finance & Investments Limited	1,94,99,951	31,21,272
		Edelweiss Finvest Limited	17,02,78,150	1,71,09,836
		Edelweiss Rural & Corporate Services Limited	1,37,49,95,525	9,17,40,279
		Edelweiss Securities And Investments Private Limited	56,816	58,74,742
		ECL Finance Limited	3,23,29,931	-
		Edelweiss Retail Finance Limited	5,79,20,227	-
		Edelweiss Financial Services Limited	43,03,17,311	-
		Allium Finance Private Limited	52,05,393	-
		Edel Finance Company Limited	3,82,709	-
58	Interest expense on inter-corporate deposits accepted from	Edelweiss Securities Limited	1,03,95,363	37,88,134
59	Interest expense on preference shares of	Edelweiss Rural & Corporate Services Limited	11,86,55,527	3,25,856
60	Interest expense on security deposits accepted from	ECL Finance Limited	1,20,99,999	3,97,808
		Edelweiss Housing Finance Limited	96,79,999	3,18,247
61	Reimbursements paid to	Edelweiss Rural & Corporate Services Limited	40,793	2,73,726
		Edelweiss Financial Services Limited	1,85,06,353	47,52,751
62	Cost reimbursements paid to	Edelweiss Financial Services Limited	3,22,99,241	1,68,35,520
		Edelweiss Securities Limited	73,29,904	2,28,71,295
		Edelweiss Finance & Investments Limited	-	255
		Edelweiss Housing Finance Limited	-	13,593
		Edelcap Securities Limited	-	2,132
		Edelweiss Rural & Corporate Services Limited	6,10,36,851	4,64,84,251
		Edelweiss Asset Management Limited	-	8,79,81,466
		Edelweiss Gallagher Insurance Brokers Limited	-	1,922
		ECL Finance Limited	-	20,404
		Edelweiss Global Wealth Management Limited	-	415
		Edelweiss Alternative Asset Advisors Limited	87,70,569	14,01,50,686
		Edelweiss Broking Limited	5,53,662	5,52,41,212
		EC Commodity Limited	-	105
		Edelweiss Custodial Services Limited	-	3,146
		Edelweiss Investment Advisors Limited	-	540
		Edel Land Limited	-	325
		Edelweiss Finvest Limited	-	877
		Allium Finance Private Limited	-	17
		Edel Investments Limited	17,07,611	334
		Edelweiss Asset Reconstruction Company Limited	-	2,870
		Edelweiss Tokio Life Insurance Company Limited	-	2,36,777
		EdelGive Foundation	-	69
		Lichen Metals Private Limited	-	17
		Edelweiss Comtrade Limited	-	135
		Edel Finance Company Limited	-	67
		Edelweiss Retail Finance Limited	-	795
		Edelweiss General Insurance Company Limited	-	5,164
63	Clearing charges paid to	Edelweiss Custodial Services Limited	14,62,72,718	1,38,05,416
64	Demat charges paid to	Edelweiss Custodial Services Limited	9,775	24,600



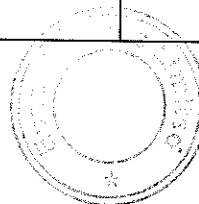
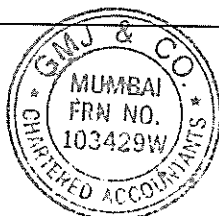
# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

Sr. No.	Nature of transaction	Related party name	For the year ended 31 Mar 2021	For the year ended 31 Mar 2020
65	Brokerage paid to	Edel Investments Limited Edelweiss Broking Limited Edelweiss Comtrade Limited Edelweiss Securities Limited	1,76,464 10,59,620 - 3,13,33,549	72,759 12,75,205 3,48,18,793 8,72,36,288
66	Financial charges paid to	Edelweiss Asset Management Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Broking Limited Edelweiss Global Wealth Management Limited Edelweiss Securities Limited	90,37,750 - 7,73,00,665 4,41,06,429 44,39,212	2,67,40,611
67	Commission and brokerage paid to	Edelweiss Broking Limited Edelweiss Securities Limited	20,00,000 -	20,00,000 -
68	Payment to Partnership firm through current account	Edelweiss Resolution Advisors LLP	-	30,753
69	Payment from Partnership firm through current account	Edelweiss Resolution Advisors LLP	5,00,000	-
70	Redemption of units of venture fund	EW Clover Scheme	-	12,50,00,000
71	Rating support fees paid to	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited	34,124 39,009	1,34,440 -
72	Corporate Guarantee support fee paid to	Edelweiss Financial Services Limited	1,72,82,872	2,90,83,145
73	Advisory Fees Income	Edelweiss Asset Reconstruction Company Limited Edelweiss Rural & Corporate Services Limited Edelweiss International (Singapore) Pte Limited	- - 4,41,028	1,25,00,000 1,20,462 -
74	Donation Exps	EdelGive Foundation	27,00,000	1,67,95,000
75	Sale of Fixed Asset to	EC Commodity Limited ECL Finance Limited Edel Investments Limited Edel Land Limited Edelcap Securities Limited Edelweiss Asset Management Limited Edelweiss Broking Limited Edelweiss Securities Limited Edelweiss Rural & Corporate Services Limited Edelweiss Finance & Investments Limited Edelweiss Custodial Services Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Reconstruction Company Limited Edelweiss General Insurance Company Limited	- 11,224 - 6,488 48,549 1,535 7,620 1,09,251 8,764 91,253 7,046 6,633 3,091 2,717	3,987 2,998 1,76,289 2,164 5,822 2,818 4,490 5,233 7,01,488 - - - - -
76	Purchase of Fixed Asset from	Edelcap Securities Limited Edelweiss Housing Finance Limited Edelweiss Rural & Corporate Services Limited Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Finance & Investments Limited Edelweiss Global Wealth Management Limited Edelweiss Financial Services Limited	- - 5,770 1,288 686 7,51,798 304 2,012	10,327 13,621 7,84,719 12,064 - - - -
77	Remuneration paid to	Mr. Rujan Panjwani	53,55,362	-



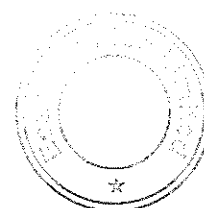
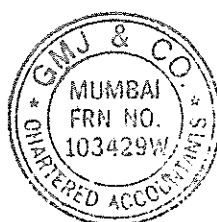
# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

Sr. No.	Nature of transaction	Related party name	As at 31 March 2021	As at 31 March 2020
	<b>Balances with related parties</b>			
78	Short term loans given to (refer note below)	Edel Finance Company Limited	-	1,20,00,00,000
		Edelweiss Investment Advisors Limited	5,18,653	1,50,33,06,852
		Edel Land Limited	1,56,402	3,01,70,19,411
		Edelweiss Securities And Investments Private Limited	-	50,60,96,044
		Edelcap Securities Limited	2,37,24,45,954	-
		Edelweiss Financial Services Limited	1,15,21,50,685	-
79	Short term loans taken from (refer note below)	Edelcap Securities Limited	-	44,51,59,927
		Edelweiss Finance & Investments Limited	-	56,95,00,000
		Edelweiss Finvest Limited	7,13,77,00,000	1,00,50,00,000
		Edelweiss Rural & Corporate Services Limited	6,11,33,60,318	7,05,41,88,612
		Allium Finance Private Limited	29,00,000	-
		Edelweiss Retail Finance Limited	-	-
		Edel Finance Company Limited	1,13,20,00,000	-
80	Inter-corporate deposits accepted from	Edelweiss Securities Limited	-	44,65,24,000
81	Stock in trade - debentures and bonds	ECL Finance Limited	68,90,41,040	34,27,29,659
		Edelweiss Finvest Limited	8,20,57,779	11,10,16,089
		Edelweiss Asset Reconstruction Company Limited	1,51,74,79,285	11,46,62,887
		Edelweiss Rural & Corporate Services Limited	3,97,80,08,430	4,67,14,24,831
		Edelweiss Finance & Investments Limited	5,21,45,459	-
82	Long term deposits receivable from	Edelweiss Rural & Corporate Services Limited	10,00,00,000	10,00,00,000
83	Long term deposits payable to	Edelweiss Tokio Life Insurance Company Limited	2,91,74,400	2,91,74,400
		ECL Finance Limited	10,00,00,000	10,00,00,000
		Edelweiss Housing Finance Limited	8,00,00,000	8,00,00,000
84	Subordinated liabilities	Edelweiss Rural & Corporate Services Limited	-	88,13,44,473
		Edelweiss Financial Services Limited	1,00,00,00,000	-
85	Compulsorily convertible debentures held by	Edelweiss Rural & Corporate Services Limited	4,00,00,00,000	-
86	Trade payables to	EC Commodity Limited	-	5,332
		Edelcap Securities Limited	-	42,76,515
		Edelweiss Securities Limited	-	4,50,63,014
		Edel Investments Limited	-	69,261
		Edelweiss Financial Services Limited	12,14,206	3,50,88,206
		Edel Land Limited	-	1,26,988
		Edelweiss Rural & Corporate Services Limited	78,92,566	96,90,217
		Edelweiss Asset Management Limited	-	1,04,49,910
		Edelweiss Alternative Asset Advisors Limited	3,60,547	1,40,96,883
		Edelweiss Broking Limited	1,98,98,024	-
		Edelweiss Global Wealth Management Limited	50,83,138	-
		Edelweiss Finance & Investments Limited	40,20,388	-



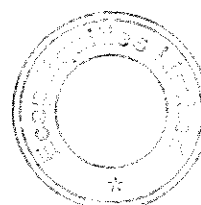
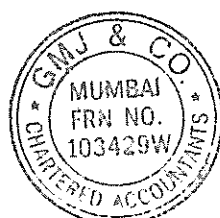
# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

Sr. No.	Nature of transaction	Related party name	As at 31 March 2021	As at 31 March 2020
87	Other payable to	Edelweiss Asset Management Limited	-	2,818
		Edelweiss Broking Limited	-	81,561
		EC Commodity Limited	-	3,987
		ECL Finance Limited	-	2,998
		Edelcap Securities Limited	-	9,58,049
		Edelweiss Financial Services Limited	32,09,314	1,85,12,405
		Edel Investments Limited	-	1,76,289
		Edel Land Limited	-	2,164
		Edelweiss Rural & Corporate Services Limited	6,346	7,07,834
		Edelweiss Securities Limited	-	68,37,244
88	Other receivable from	Edelweiss Asset Management Limited	-	5,57,951
		Edelweiss International (Singapore) Pte Limited	9,242	-
		ECL Finance Limited	2,29,000	1,07,58,939
		Edelweiss Finance & Investments Limited	2,83,000	-
		Edelweiss Rural & Corporate Services Limited	3,000	-
89	Payable to clearing house	Edelweiss Custodial Services Limited	11,94,45,254	12,09,16,235
90	Interest payable on loans taken from	Edelweiss Rural & Corporate Services Limited	11,12,21,809	5,27,56,405
		Edelcap Securities Limited	70,08,564	28,27,699
		Edelweiss Finance & Investments Limited	-	28,09,145
		Edelweiss Finvest Limited	1,10,74,230	62,51,312
		ECL Finance Limited	-	-
		Edelweiss Retail Finance Limited	33,70,234	-
		Allium Finance Private Limited	3,07,286	-
		Edelweiss Financial Services Limited	6,09,90,158	-
		Edel Finance Company Limited	3,54,006	-
91	Interest payable on compulsorily convertible debentures issued to	Edelweiss Rural & Corporate Services Limited	6,575	-
92	Nomination deposits payable to	Edelweiss Financial Services Limited	-	1,00,000
93	Investments in equity shares of	Edelweiss Finvest Limited	-	3,76,71,97,569
		Edelcap Securities Limited	52,59,91,705	1,30,00,000
		Edelweiss Asset Management Limited	-	33,35,60,000
		Lichen Metals Private Limited	-	23,70,22,000
		Edel Investments Limited	2,62,94,13,197	2,59,54,64,000
		Edelweiss Asset Reconstruction Company Limited	22,32,12,837	22,32,12,837
94	Investments in preference shares of	Edelcap Securities Limited	4,37,62,50,000	3,86,46,63,242
		Edel Investments Limited	30,00,00,000	26,61,43,782
		Edelweiss Rural & Corporate Services Limited	1,19,30,08,488	-
95	Investments in venture funds of	Edelweiss Private Equity Tech fund	38,88,84,803	26,33,32,480
		Edelweiss Value and Growth Fund	46,12,52,404	52,59,18,281
		India Credit Investment Fund II	1,58,89,65,604	-
96	Investment in partnership firm	Edelweiss Resolution Advisors LLP	10	10
97	Investment in debt instruments of	ECL Finance Limited	39,89,57,817	25,73,19,595
98	Partner's current account - receivable from	Edelweiss Resolution Advisors LLP	17,450	5,16,954



# ECap Equities Limited

## Notes to the financial statements (continued)

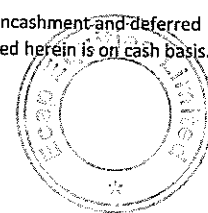
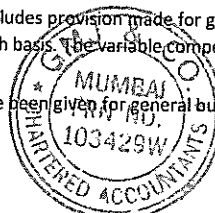
(Currency: Indian Rupees)

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

Sr. No.	Nature of transaction	Related party name	As at 31 March 2021	As at 31 March 2020
99	Partner's current account - payable to	Edelweiss Multi Strategy Fund Advisors LLP	76,035	11,43,135
100	Trade receivables from	Edelweiss Housing Finance Limited	7,11,605	11,70,393
		Edelweiss Securities Limited	6,57,91,912	1,75,837
		EC Commodity Limited	161	-
		ECL Finance Limited	16,34,044	18,40,353
		Edelweiss Gallagher Insurance Brokers Limited	15,38,730	44,912
		Edelweiss Asset Reconstruction Company Limited	7,899	49,920
		Edelweiss General Insurance Company Limited	7,29,169	1,10,44,484
		Edelweiss Global Wealth Management Limited	-	10,636
		Edelweiss Finance & Investments Limited	-	261
		Edelweiss Broking Limited	-	57,05,749
		Edelweiss Custodial Services Limited	15,05,476	1,56,545
		Edelweiss Finvest Limited	1,66,391	6,34,395
		Edelweiss Tokio Life Insurance Company Limited	98,63,181	2,01,83,747
		Edelweiss Comtrade Limited	14	51,378
		Edelweiss Retail Finance Limited	3,87,687	99,664
		Edelweiss Resolution Advisors LLP	-	54,000
		Edelgive foundation	621	21
		Edel Finance Company Limited	153	15
		Edelweiss Investment Advisors Limited	13,540	13
		Lichen Metals Private Limited	-	43
		Edelweiss Trusteeship Company Limited	51	-
		Edelweiss Securities And Investments Private Limited	11,05,000	10,80,000
		Allium Finance Private Limited	51	-
		Edelweiss Capital Services Limited	260	-
		ESL Securities Limited	1,71,610	-
		Edel Investments Limited	3,85,32,406	-
		Edel Land Limited	185	-
		Edelcap Securities Limited	63,637	-
		Edelweiss Asset Management Limited	49,633	-
		Edelweiss International (Singapore) Pte Limited	4,41,028	-
101	Interest receivable on loans given to	Edelweiss Rural & Corporate Services Limited	-	136
		Edelcap Securities Limited	72,62,179	-
		Edel Finance Company Limited	58,04,852	2,53,56,956
		Edelweiss Investment Advisors Limited	2,40,15,597	3,11,67,920
		Edel Land Limited	2,91,69,295	3,49,35,753
		Edelweiss Securities And Investments Private Limited	-	34,15,361
		Edelweiss Finvest Limited	2,74,459	-
102	Interest receivable on margins placed with	Edelweiss Securities Limited	-	3,28,376
		Edelweiss Custodial Services Limited	-	1,57,77,860
103	Margins placed with	Edelweiss Securities Limited	2,09,84,981	1,42,610
		Edelweiss Broking Limited	37,79,363	-
		Edel Investments Limited	1,07,13,638	-

#### Note

- Interest income on preference share is reported as part of Ind AS Compliance.
- Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum of debit and credit of transactions and total of debit and credit of transaction amount given/taken and placed/refund received during the reporting period.
- As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. In addition, sum of loans given and repaid are disclosed. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.
- Information relating to remuneration paid to key management personnel mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.
- Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee: Loans have been given for general business purpose



## ECap Equities Limited

### Notes to the financial statements (continued)

(Currency: Indian Rupees)

#### 46 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 2021	31 March 2020
(a) Profit after tax (as per statement of profit and loss)	(4,03,18,81,324)	(61,57,17,601)
Add: Interest expense on compulsorily convertible debentures	6,575	-
Net profit for the year attributable to equity shareholders	(4,03,18,74,749)	(61,57,17,601)
(b) Calculation of weighted average number of equity Shares of Rs. 10 each		
Number of shares outstanding at the beginning of the year	7,40,000	7,40,000
Number of Shares issued during the year	-	-
Number of shares on conversion of Compulsorily Convertible Debentures (CCDs) = 0.24 Equity	9,60,000	-
Total number of equity shares outstanding at the end of the year	17,00,000	7,40,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	7,55,781	7,40,000
Number of dilutive potential equity shares	-	-
(c) Basic and diluted earnings per share (in rupees) (a)/(b)	(5,334.71)	(832.05)

#### 47 Contingent liabilities and commitments

##### Contingent liabilities

The Company has pending taxation matters of Rs. 46,693/- as at balance sheet date (Previous year: Rs. 86,917/-).

The Company alongwith its holding company Edelweiss Financial Services Limited has given guarantee to trustees of holders of non-convertible debentures issued by its Group Company Edelweiss Investment Advisors Limited amounting to Rs. 2,85,00,00,000/-

##### Commitments

The Company has capital commitments of Rs. NIL towards fixed assets as at the balance sheet date (Previous year: Rs. 2,33,614/-)

Company has capital commitment towards undrawn commitments for Alternative Investment Funds (refer note 50 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

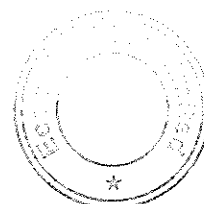
#### 48 Approach to capital management

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 2021	31 March 2020
Total Debt	34,96,28,84,290	32,88,03,43,956
Equity	1,11,34,73,192	1,14,61,35,842
Net Debt to Equity	31.40	28.69



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 49 Risk Management

##### 49.1. Introduction and risk profile

The Company provides a broad range of 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 domestic and global geographies. The Company's key lines of business can broadly be classified as below

- o Credit (Retail Credit, Corporate Credit and Distressed Credit)
- o Franchise & Advisory (Wealth Management, Asset Management and Capital Markets)

The Company's diversified businesses 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 RBI to NHB to SEBI to IRDA, it also exposes it to regulatory and reputation risks.

##### 49.2. 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
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

##### 49.3. Risk management structure

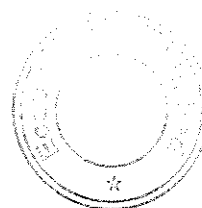
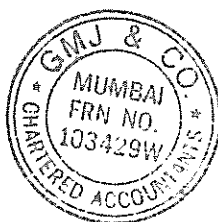
To support the risk strategy and effective risk management, the Company have the "Four-tiered risk management structure" to ensure that there are enough defences available to control all types of risk issues. The risk structure is enumerated below

1. Three lines of defense - for accountability, oversight, and assurance  
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 Committees

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. reputation, compliance, regulatory, etc are controlled through policies and framework, educating employees through training and risk socialisation sessions.

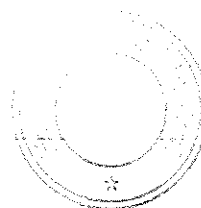
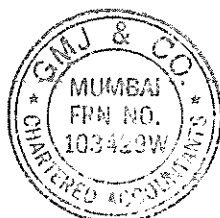
### 49.4. Excessive risk concentration

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

Single and Group level borrower limits for wholesale lending and program level limits for retail lending have been defined as a proactive risk measure to avoid excess credit concentration. Business risk team monitor these 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. The Company has a detailed claims processing manual in place.





# **ECap Equities Limited**

Notes to the financial statements (Continued)

(Currency : Indian rupees)

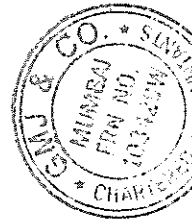
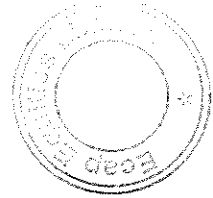
## **49.5. Loans at amortised cost**

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

Particulars	31 March 2021				31 March 2020			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade	3,73,02,34,466	-	-	3,73,02,34,466	8,95,52,27,242	-	-	8,95,52,27,242
Standard grade	-	1,82,59,36,381	-	1,82,59,36,381	-	1,00,04,10,959	-	1,00,04,10,959
Substandard grade	-	-	-	-	-	-	-	-
Non-performing								
Impaired	-	-	3,80,36,55,562	3,80,36,55,562	-	-	2,66,53,14,765	2,66,53,14,765
<b>Total</b>	<b>3,73,02,34,466</b>	<b>1,82,59,36,381</b>	<b>3,80,36,55,562</b>	<b>9,35,98,26,409</b>	<b>8,95,52,27,242</b>	<b>1,00,04,10,959</b>	<b>2,66,53,14,765</b>	<b>12,62,09,52,966</b>

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

Particulars	Non-credit impaired				Credit impaired			
	Stage I		Stage II		Stage III		Total	
	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 2020	8,95,52,27,242	1,60,96,672	1,00,04,10,959	14,05,52,027	2,56,53,14,765	75,73,54,337	12,62,09,52,966	91,40,03,036
Transfers:								
Transfers to 12 Month ECL (Stage I)	(3,59,70,00,000)	-	-	-	3,59,70,00,000	-	-	-
Transfers to lifetime ECL (Stage II)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL - Credit impaired (Stage III)	-3,59,70,00,000	-	-	-	3,59,70,00,000	-	-	-
Net new and further lending/ repayments	1,61,10,87,723	(66,05,990)	82,55,25,422	9,13,00,000	(46,76,32,109)	(17,56,57,075)	(1,25,31,94,410)	(9,09,63,065)
Remeasurement of ECL	-	-	-	-	-	2,98,04,10,000	-	2,98,04,10,000
Sale of Loans	-	-	-	-	(39,65,00,000)	-	(39,65,00,000)	-
Loss on sale of loans	-	-	-	-	(1,35,00,000)	-	(10,35,00,000)	-
Loss on restructuring of loans	(1,69,05,053)	(88,45,253)	-	-	(65,66,80,659)	(39,25,86,945)	(67,35,85,712)	(40,14,32,198)
Loans written off	-	-	-	-	(83,43,46,435)	(5,28,80,870)	(83,43,46,435)	(5,28,80,870)
<b>As at 31 March 2021</b>	<b>3,73,02,34,466</b>	<b>6,45,429</b>	<b>1,82,59,36,381</b>	<b>23,18,52,027</b>	<b>3,80,36,55,562</b>	<b>3,11,66,39,447</b>	<b>9,35,98,26,409</b>	<b>3,34,91,36,903</b>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 50 Remaining contractual maturities

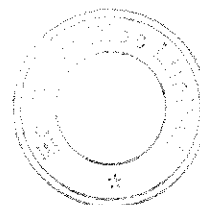
#### A. Analysis of non-derivative financial liabilities by remaining contractual maturities

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 2021	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Trade payables	3,10,51,464	-	-	-	3,10,51,464
Trade payables - Group	3,44,48,481	-	-	-	3,44,48,481
Debt securities	4,51,76,97,409	3,57,82,75,725	11,00,11,64,303	22,69,85,626	19,32,41,23,063
Borrowings (other than debt securities)	-	-	-	-	-
Borrowings (other than debt securities) Group	14,58,02,86,604	-	-	-	14,58,02,86,604
Deposits	5,84,74,623	-	-	-	5,84,74,623
Subordinated financial liabilities	-	1,00,00,00,000	-	-	1,00,00,00,000
Other financial liabilities	12,22,97,572	-	-	-	12,22,97,572
Other financial liabilities - Group	7,09,46,999	18,00,00,000	-	-	25,09,46,999
<b>Total undiscounted non-derivative financial liabilities</b>	<b>19,41,52,03,152</b>	<b>4,75,82,75,725</b>	<b>11,00,11,64,303</b>	<b>22,69,85,626</b>	<b>35,40,16,28,806</b>

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	4,46,57,681	-	-	-	4,46,57,681
Trade payables - group	11,88,66,326	-	-	-	11,88,66,326
Debt securities	3,85,40,96,045	6,37,88,67,694	9,46,72,80,473	38,45,51,601	20,08,47,95,813
Borrowings (other than debt securities)	10,77,18,490	5,25,00,000	-	-	16,02,18,490
Borrowings (other than debt securities) Group	9,13,84,93,099	-	-	-	9,13,84,93,099
Deposits	2,61,54,92,081	-	-	-	2,61,54,92,081
Subordinated financial liabilities	-	88,13,44,473	-	-	88,13,44,473
Other financial liabilities	84,83,767	-	3,32,39,207	-	4,17,22,974
Other financial liabilities - Group	14,14,87,738	-	-	20,91,74,400	35,06,62,138
<b>Total undiscounted non-derivative financial liabilities</b>	<b>16,02,92,95,227</b>	<b>7,31,27,12,167</b>	<b>9,50,05,19,680</b>	<b>59,37,26,001</b>	<b>33,43,62,53,075</b>



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

(Currency : Indian rupees)

**50 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 2021	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	24,86,15,071	-	-	-	24,86,15,071
Stock in trade	9,26,21,94,363	-	-	-	9,26,21,94,363
Trade receivables	29,705	-	-	-	29,705
Trade receivables - Group	11,97,47,167	-	-	-	11,97,47,167
Loans	39,28,15,510	-	2,02,67,48,849	-	2,41,95,64,350
Loans - Group	3,59,11,52,647	-	-	-	3,59,11,52,647
Investments at fair value through profit or loss	-	-	-	7,81,87,56,849	7,81,87,56,849
Investments at cost-Group	17,450	-	-	3,37,86,17,749	3,37,86,35,199
Investments at amortised cost - Group	-	4,67,62,50,000	-	1,59,18,94,485	6,26,81,44,485
Investments at amortised cost	11,50,23,786	86,89,09,739	-	-	98,39,33,525
Other financial assets - group	5,24,242	10,00,00,000	-	-	10,05,24,242
Other financial assets	12,20,137	-	-	26,69,549	38,89,686
<b>Total</b>	<b>13,73,13,40,078</b>	<b>5,64,51,59,739</b>	<b>2,02,67,48,849</b>	<b>12,79,19,38,632</b>	<b>34,19,51,87,298</b>

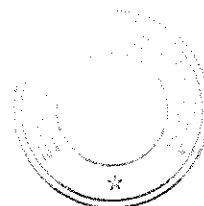
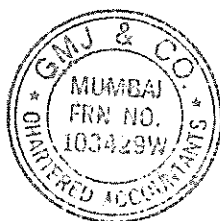
As at 31 March 2020	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Cash and cash equivalent and other bank balances	47,05,18,399	-	-	-	47,05,18,399
Stock-in-trade	5,84,24,22,535	-	-	-	5,84,24,22,535
Trade receivables	6,39,04,175	-	-	-	6,39,04,175
Trade receivables - Group	3,98,58,378	-	-	-	3,98,58,378
Loans	1,34,04,13,001	3,18,57,89,723	85,94,41,913	-	5,38,56,51,496
Loans - Group	6,32,12,98,434	-	-	-	6,32,12,98,434
Investments at fair value through profit or loss	-	-	-	2,47,44,61,137	2,47,44,61,137
Investments at cost-Group	5,16,954	-	-	7,71,63,97,318	7,71,69,14,272
Investments at amortised cost -Group	-	-	-	4,38,81,18,899	4,38,81,18,899
Other financial assets - group	2,78,46,368	-	-	10,00,00,000	12,78,46,368
Other financial assets	-	-	29,42,590	-	29,42,590
<b>Total</b>	<b>14,10,67,79,044</b>	<b>3,18,57,89,723</b>	<b>86,23,90,563</b>	<b>14,67,89,77,354</b>	<b>32,83,39,36,684</b>

**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 2021	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	1,13,45,86,490	-	-	-	1,13,45,86,490
Other net settled derivatives (other than those entered into for trading purposes)	(76,55,974)	(42,77,21,053)	(66,20,81,494)	(3,99,09,608)	(1,13,73,68,129)
<b>Total</b>	<b>1,12,69,30,516</b>	<b>(42,77,21,053)</b>	<b>(66,20,81,494)</b>	<b>(3,99,09,608)</b>	<b>(27,81,639)</b>

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	(73,87,62,578)	-	-	-	(73,87,62,578)
Other net settled derivatives (other than those entered into for trading purposes)	(46,60,87,845)	4,68,55,394	97,89,73,908	41,43,699	56,38,85,156
<b>Total</b>	<b>(1,20,48,50,423)</b>	<b>4,68,55,394</b>	<b>97,89,73,908</b>	<b>41,43,699</b>	<b>(17,48,77,422)</b>



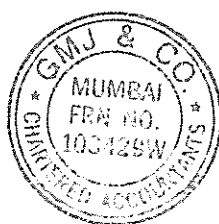
**ECap Equities Limited****Notes to the financial statements (Continued)**

(Currency : Indian rupees)

**50 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 2021	0 to 180 days	181 days to 365 days	1 year to 3 years	Over 3 years	Total
Undrawn commitments for AIF funds	2,24,29,85,721	-	-	-	2,24,29,85,721
Undrawn commitments for AIF funds - Group	3,12,78,41,294	-	-	-	3,12,78,41,294
<b>Total</b>	<b>5,37,08,27,015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,37,08,27,015</b>

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	20,21,82,530	-	-	-	20,21,82,530
Undrawn commitments for AIF funds - Group	67,21,73,816	-	-	-	67,21,73,816
<b>Total</b>	<b>87,43,56,346</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>87,43,56,346</b>



# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

### 51 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) 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	2020-21					
	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	18,18,21,207	-	5	(18,18,21,207)	-
Equity/ETF	5	19,35,33,437	-	5	(19,35,33,437)	-
Mutual Fund	5	99,61,256	-	5	(99,61,256)	-
Debt securities	0.25	10,53,700	-	0.25	(10,53,700)	-
Debt securities	5	1,87,33,867	-	5	(1,87,33,867)	-
Nifty link debenture	5	3,71,52,607	-	5	(3,71,52,607)	-
AIF Funds	5	35,62,84,958	-	5	(35,62,84,958)	-

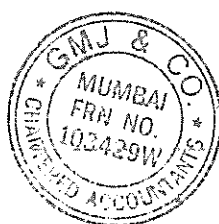
Impact on	2019-20					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	89,95,812	-	5	(89,95,812)	-
Equity/ETF	5	8,90,84,690	-	5	(8,90,84,690)	-
Mutual Fund	5	21,95,300	-	5	(21,95,300)	-
Debt securities	0.25	9,48,705	-	0.25	(9,48,705)	-
Nifty link debenture	5	37,71,961	-	5	(37,71,961)	-
AIF Funds	5	6,16,52,521	-	5	(6,16,52,521)	-

#### (ii) 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	2020-21					
	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	25,18,87,290	-	5	(25,18,87,290)	-
Embedded derivatives (Nifty-linked debentures)	5	(5,68,68,406)	-	5	5,68,68,406	-

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	(17,32,37,955)	-	5	17,32,37,955	-
Embedded derivatives (Nifty-linked debentures)	5	2,81,94,258	-	5	(2,81,94,258)	-



# ECap Equities Limited

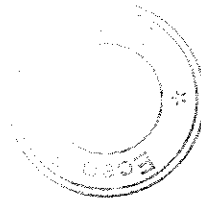
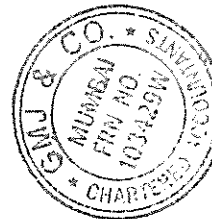
## Notes to the financial statements (Continued) (Currency : Indian rupees)

### 52 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 2021		31 March 2020	
	Carrying amount	Traded risk	Carrying amount	Non-traded risk
<b>Assets</b>				
Cash and cash equivalent and other bank balances	24,86,15,071	-	47,05,18,399	47,05,18,399
Derivative financial instruments	1,41,79,32,013	1,41,78,32,013	2,44,00,85,495	-
Financial assets at FVTPL	17,08,09,51,212	17,08,09,51,212	8,31,68,83,672	-
Loans	2,41,95,64,359	-	5,38,56,51,496	5,38,56,51,496
Loans - Group	3,59,11,52,647	-	6,32,12,98,434	6,32,12,98,434
Trade receivables	29,705	-	6,39,04,175	6,39,04,175
Trade receivables - Group	11,97,47,167	-	3,98,58,378	3,98,58,378
Financial investments- amortised cost - Group	6,26,81,44,485	-	-	-
Investments at cost - Group	3,37,86,35,199	-	7,71,69,14,272	7,71,69,14,272
Financial investments- amortised cost	98,39,33,525	-	4,38,81,18,899	4,38,81,18,899
Other financial assets - Group	10,05,24,242	-	12,78,46,368	11,17,40,132
Other financial assets	38,89,686	-	29,42,590	29,42,590
<b>Total</b>	<b>35,61,30,19,311</b>	<b>18,49,87,83,225</b>	<b>35,27,40,22,178</b>	<b>24,50,09,46,775</b>

Particulars	31 March 2021		31 March 2020	
	Carrying amount	Traded risk	Carrying amount	Non-traded risk
<b>Liability</b>				
Borrowings (other than debt Securities)	14,58,02,86,604	-	16,02,18,490	16,02,18,490
Borrowings (other than debt Securities) - Group	1,42,06,13,652	-	9,13,84,93,099	9,13,84,93,099
Derivative financial instruments	5,84,74,623	1,42,06,13,652	2,61,49,62,916	-
Deposits	19,32,41,23,063	-	2,61,49,62,916	2,61,49,62,916
Debt securities	3,10,51,464	-	20,08,47,95,813	20,08,47,95,813
Trade payables	3,44,48,481	-	4,46,57,681	4,46,57,681
Trade payables - Group	1,00,00,00,000	-	11,88,66,326	11,88,66,326
Subordinated liabilities	25,09,46,999	-	88,13,44,473	88,13,44,473
Other liabilities - Group	12,22,97,572	2,29,88,269	35,06,62,138	22,98,88,513
Other liabilities	36,82,22,42,458	-	4,17,22,974	4,17,22,974
<b>Total</b>	<b>36,82,22,42,458</b>	<b>1,44,36,01,921</b>	<b>36,05,12,15,991</b>	<b>33,31,54,79,450</b>



(Currency: Indian Rupees)

53 **Disclosure related to collateral:**

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

31 March 2021	Pledge as collateral	others 1*	Available as collateral	others 2**	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	24,86,15,071	24,86,15,071
Stock in trade	4,11,19,52,161	5,15,02,42,202	-	-	9,26,21,94,363
Trade receivables	2,38,13,772	-	-	9,59,63,100	11,97,76,872
Derivative assets	-	-	-	1,41,78,32,013	1,41,78,32,013
loans	-	6,01,07,17,006	-	-	6,01,07,17,006
Investments	22,32,12,837	18,22,62,57,221	-	-	18,44,94,70,058
Other financial assets	-	-	-	10,44,13,928	10,44,13,928
Current tax assets (net)	-	-	-	43,22,06,498	43,22,06,498
Deferred tax assets (net)	-	-	-	1,05,33,37,684	1,05,33,37,684
Investment property	80,12,23,271	-	-	-	80,12,23,271
Property, plant and equipment	-	-	2,02,59,519	-	2,02,59,519
Goodwill	-	-	-	6,09,43,805	6,09,43,805
Other Intangible assets	-	-	-	75,38,586	75,38,586
Other non- financial assets	-	-	-	1,51,80,499	1,51,80,499
<b>Total assets</b>	<b>5,16,02,02,041</b>	<b>29,38,72,16,429</b>	<b>2,02,59,519</b>	<b>3,43,60,31,184</b>	<b>38,00,37,09,173</b>

31 March 2020	Pledge as collateral	others 1*	Available as collateral	others 2**	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	47,05,18,399	47,05,18,399
Stock in trade	5,07,83,69,249	76,40,53,286	-	-	5,84,24,22,535
Trade receivables	-	-	-	10,37,62,553	10,37,62,553
Derivative assets	-	-	-	2,44,00,85,495	2,44,00,85,495
loans	-	11,70,69,49,930	-	-	11,70,69,49,930
Investments	1,28,37,37,003	13,29,57,57,305	-	-	14,57,94,94,308
Other financial assets	-	-	-	13,07,88,958	13,07,88,958
Current tax assets (net)	-	-	-	19,63,89,006	19,63,89,006
Deferred tax assets (net)	-	-	-	82,48,11,022	82,48,11,022
Investment property	84,33,92,917	-	-	-	84,33,92,917
Property, plant and equipment	-	-	3,01,73,829	-	3,01,73,829
Goodwill	-	-	-	6,09,43,805	6,09,43,805
Other Intangible assets	-	-	-	2,32,21,435	2,32,21,435
Other non- financial assets	-	-	-	13,08,02,932	13,08,02,932
<b>Total assets</b>	<b>7,20,54,99,170</b>	<b>25,76,67,60,521</b>	<b>3,01,73,829</b>	<b>4,38,13,23,605</b>	<b>37,38,37,57,124</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)

#### 54 Fair values of financial instruments

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

Particulars	31 March 2021			
	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	1,26,39,91,822	19,90,96,269	-	1,46,30,88,091
Embedded derivative assets in market-linked debentures	-	-	2,23,61,490	2,23,61,490
<b>Total derivative financial instruments (assets)</b>	<b>1,26,39,91,822</b>	<b>19,90,96,269</b>	<b>2,23,61,490</b>	<b>1,48,54,49,581</b>
<b>Stock-in-trade</b>				
Other debt securities and preference shares	16,73,09,736	-	-	16,73,09,736
Other debt securities and preference shares - Group	4,06,08,33,532	-	1,51,48,46,331	5,57,56,79,863
Market-linked debentures	-	-	74,30,52,130	74,30,52,130
Mutual fund units	23,12,41,572	-	-	23,12,41,572
Equity instruments	2,54,49,11,062	-	-	2,54,49,11,062
<b>Total stock-in-trade</b>	<b>7,00,42,95,902</b>	<b>-</b>	<b>2,25,78,98,461</b>	<b>9,26,21,94,363</b>
<b>Investments</b>				
Units of Alternative Investment Funds	-	-	7,03,88,88,892	7,03,88,88,892
Equity Instruments	1,04,51,505	48,00,00,000	28,94,16,452	77,98,67,957
<b>Total investments measured at fair value</b>	<b>1,04,51,505</b>	<b>48,00,00,000</b>	<b>7,32,83,05,344</b>	<b>7,81,87,56,849</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>8,27,87,39,229</b>	<b>67,90,96,269</b>	<b>9,60,85,65,295</b>	<b>18,56,64,00,793</b>

Particulars	31 March 2021			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value on a recurring basis -</b>				
Exchange-traded derivatives	24,05,54,822	6,74,64,197	-	30,80,19,019
Embedded derivatives in market-linked debentures	-	-	1,15,97,29,619	1,15,97,29,619
<b>Total derivative financial instruments (liabilities)</b>	<b>24,05,54,822</b>	<b>6,74,64,197</b>	<b>1,15,97,29,619</b>	<b>1,46,77,48,638</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>24,05,54,822</b>	<b>6,74,64,197</b>	<b>1,15,97,29,619</b>	<b>1,46,77,48,638</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.

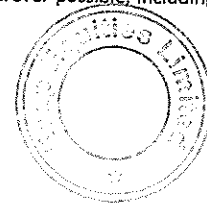
##### (iii) Derivatives

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 prices available from exchanges, dealers, brokers. Company classify these embedded derivative as level 3 instruments.





# ECap Equities Limited

## Notes to the financial statements (Continued)

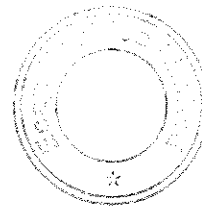
(Currency : Indian rupees)

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

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

Particulars	31 March 2020			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Derivative financial instruments (assets):				
Exchange-traded derivatives	49,93,56,753	82,75,07,153	-	1,32,68,63,906
Embedded derivative assets in market-linked debentures	-	-	1,14,78,64,992	1,14,78,64,992
<b>Total derivative financial instruments (assets)</b>	<b>49,93,56,753</b>	<b>82,75,07,153</b>	<b>1,14,78,64,992</b>	<b>2,47,47,28,898</b>
<b>Stock-in-trade</b>				
Other debt securities and preference shares	-	-	-	-
Other debt securities and preference shares Group	4,73,21,86,641	-	11,23,07,600	4,84,44,94,241
Market-linked debentures	-	-	39,53,39,225	39,53,39,225
Mutual fund units	8,49,16,369	-	-	8,49,16,369
Equity instruments	51,76,72,700	-	-	51,76,72,700
<b>Total stock-in-trade</b>	<b>5,33,47,75,710</b>	<b>-</b>	<b>50,76,46,825</b>	<b>5,84,24,22,535</b>
<b>Investments</b>				
Units of Alternative Investment Funds	-	-	1,23,30,50,402	1,23,30,50,402
Equity instruments	72,16,515	1,04,85,30,523	18,56,63,697	1,24,14,10,735
<b>Total investments measured at fair value</b>	<b>72,16,515</b>	<b>1,04,85,30,523</b>	<b>1,41,87,14,099</b>	<b>2,47,44,61,137</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>5,84,13,48,979</b>	<b>1,87,60,37,676</b>	<b>3,07,42,25,916</b>	<b>10,79,16,12,571</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	21,08,89,746	1,93,73,54,581	-	2,14,82,44,327
Embedded derivatives in market-linked debentures	-	-	58,39,79,835	58,39,79,835
<b>Total derivative financial instruments (liabilities)</b>	<b>21,08,89,746</b>	<b>1,93,73,54,581</b>	<b>58,39,79,835</b>	<b>2,73,22,24,162</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>21,08,89,746</b>	<b>1,93,73,54,581</b>	<b>58,39,79,835</b>	<b>2,73,22,24,162</b>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

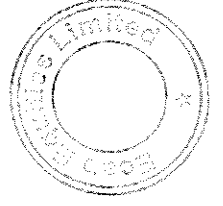
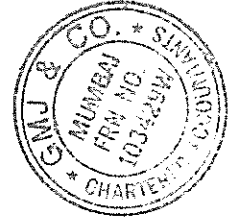
### 54 Fair values of financial instruments (continued)

#### (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 2020</b>						
Purchase	11,23,07,600	39,53,39,225	56,38,85,158	1,23,30,50,404	18,56,63,696	2,49,02,46,083
Sales	1,50,40,37,580	6,42,50,07,898	-	6,40,85,32,222	21,11,09,090	14,54,86,86,790
Issuances	(11,23,07,599)	(5,58,70,70,178)	-	(58,57,20,734)	(10,51,44,952)	(6,39,02,43,463)
Settlements	-	-	(47,96,95,294)	-	-	(47,96,95,294)
Gains / (losses) for the period (2020-21) recognised in profit or loss (including accrued interest)	-	-	11,94,98,116	(4,80,92,555)	-	7,14,05,551
	1,08,08,750	(49,02,24,815)	(1,34,10,56,109)	3,11,19,565	(22,11,382)	(1,79,15,63,991)
<b>At 31 March 2021</b>						
	1,51,48,46,331	74,30,52,130	(1,13,73,68,129)	7,03,88,88,892	28,94,16,452	8,44,88,35,676
<b>Unrealised gains / (losses) related to balances held at the end of the period</b>	<b>97,50,023</b>	<b>5,70,02,813</b>	<b>(1,34,10,56,109)</b>	<b>22,28,92,887</b>	<b>(2,21,59,305)</b>	<b>(1,07,35,69,691)</b>

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>						
Purchase	30,87,85,492	30,92,28,639	(54,28,00,993)	2,68,60,13,933	68,69,44,483	3,44,81,71,553
Sales	-	13,29,11,18,245	-	10,07,43,938	18,20,66,667	13,57,39,28,900
Issuances	-	(12,71,81,70,907)	-	(1,14,67,72,661)	(67,23,97,980)	(14,53,73,41,548)
Settlements	(19,64,77,892)	-	(19,89,98,070)	-	-	(19,89,98,070)
Gains / (losses) for the period (2019-20) recognised in profit or loss	-	-	50,42,26,175	(62,65,05,369)	-	(31,87,57,086)
	-	(48,68,36,752)	80,14,58,046	21,95,70,511	(1,09,49,473)	53,32,42,332
<b>At 31 March 2020</b>						
	11,23,07,600	39,53,39,225	56,38,85,158	1,23,30,50,404	18,56,63,696	2,49,02,46,081
<b>Unrealised gains / (losses) related to balances held at the end of the period</b>	<b>-</b>	<b>1,02,27,654</b>	<b>80,14,58,046</b>	<b>17,11,67,752</b>	<b>(1,48,02,970)</b>	<b>96,80,50,481</b>



## ECap Equities Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

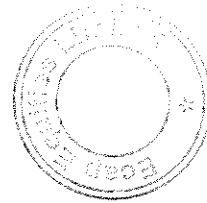
#### 54 Fair values of financial instruments (continued)

##### (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 2021	Fair value of liability as on 31 March 2021	Valuation techniques	Significant unobservable input	Range of estimates (weighted average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Stock-in-trade	1,51,48,46,331	-	Discounted cash flow	Expected future cash flows	Rs. 1,667 to Rs 12,34,641 per NCD	5%	9,42,65,589	5%	4,04,73,281
Stock in trade - Nifty linked debentures	74,30,52,130	-	Fair value of index	Discount rate	Rs 1,03,424 to 1,88,933 per debenture	0.5%	5,84,39,363	0.5%	7,65,44,675
Embedded derivative in market-linked debentures	2,23,61,490	(1,15,97,29,619)	Fair value of index	Price per debenture	-	5%	3,71,52,607	5%	(3,71,52,607)
Investments in units of AIF	7,23,88,88,892	-	Net assets approach	Index levels	-	5%	(5,68,68,406)	5%	5,68,68,406
Investments in unquoted equity shares categorised at Level 3	28,94,16,452	-	Comparable transaction and P/E	Fair value of underlying investments	Rs. 14 to 2,33,644 per Unit	5%	35,19,44,445	5%	(35,19,44,445)
Total	9,50,85,65,295	(1,15,97,29,619)		Fair value per share	Rs. 2 to 34,418 per share	5%	1,44,70,823	5%	(1,44,70,823)
							49,94,04,420		(22,96,81,512)

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	1,23,07,600	-	Discounted cash flow	Expected future cash flows	Rs. 630,769 per NCD	5%	-	5%	-
Stock in trade - Nifty linked debentures	39,53,39,225	-	Fair value of index	Discount rate	Rs 102,078 to 135,714 per debenture	0.5%	-	0.5%	-
Embedded derivative in market-linked debentures	1,14,78,64,992	56,38,85,156	Fair value of index	Price per debenture	-	5%	37,71,961	5%	(37,71,961)
Investments in units of AIF	1,23,30,50,402	-	Net assets approach	Index levels	-	5%	2,81,94,258	5%	(2,81,94,258)
Investments in unquoted equity shares categorised at Level 3	18,56,63,697	-	Comparable transaction and P/E	Fair value of underlying investments	Rs. 984 to 240,313 per Unit	5%	6,16,52,520	5%	(6,16,52,520)
Total	3,07,42,25,916	56,38,85,156		Fair value per share	Rs. 5 to 8,106 per unit	5%	83,63,185	5%	(83,63,185)
							10,19,81,924		(10,19,81,924)



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

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

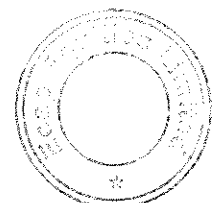
#### (d) Financial instruments not measured at fair value

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 2021				
	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and cash equivalent	24,86,15,071	24,86,15,071	24,86,15,071	-	-
Bank balances other than cash and cash equivalent	-	-	-	-	-
Trade receivables - Group	11,97,47,167	11,97,47,167	-	11,97,47,167	-
Trade receivables	29,705	29,705	-	29,705	-
Loans - credit substitute	1,73,25,20,744	1,73,25,20,744	-	1,73,25,20,744	-
Loans	68,70,43,615	68,70,43,615	-	68,70,43,615	-
Loans - Group	3,59,11,52,647	3,59,11,52,647	-	3,59,11,52,647	-
Investments at amortised cost - Group	6,26,81,44,485	6,26,81,44,485	-	6,26,81,44,485	-
Investments at amortised cost	98,39,33,525	98,39,33,525	-	98,39,33,525	-
Investments at cost - Group	3,37,86,35,199	3,37,86,35,199	-	3,37,86,35,199	-
Other financial assets - Group	10,05,24,242	10,05,24,242	-	10,05,24,242	-
Other financial assets	38,89,686	38,89,686	-	38,89,686	-
<b>Total</b>	<b>17,11,42,36,086</b>	<b>17,11,42,36,086</b>	<b>24,86,15,071</b>	<b>16,86,56,21,015</b>	<b>-</b>
<b>Financial liabilities:</b>					
Trade payables	3,10,51,464	3,10,51,464	-	3,10,51,464	-
Trade payables - Group	3,44,48,481	3,44,48,481	-	3,44,48,481	-
Debt securities	19,32,41,23,063	19,32,41,23,063	-	19,32,41,23,063	-
Borrowing (other than debt securities)	1,13,20,00,003	1,13,20,00,003	-	1,13,20,00,003	-
Borrowing (other than debt securities) - Group	13,44,82,86,601	13,44,82,86,601	-	13,44,82,86,601	-
Deposits	5,84,74,623	5,84,74,623	-	5,84,74,623	-
Deposits - Group	-	-	-	-	-
Subordinated liabilities	1,00,00,00,000	1,00,00,00,000	-	1,00,00,00,000	-
Other financial liabilities - Group	25,09,40,424	25,09,40,424	-	25,09,40,424	-
Other financial liabilities	12,23,04,147	12,23,04,147	-	12,23,04,147	-
<b>Total</b>	<b>35,40,16,28,806</b>	<b>35,40,16,28,806</b>	<b>-</b>	<b>35,40,16,28,806</b>	<b>-</b>

Particulars	31 March 2020				
	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and cash equivalent	47,05,18,399	47,05,18,399	47,05,18,399	-	-
Bank balances other than cash and cash equivalent	-	-	-	-	-
Trade receivables	6,39,04,175	6,39,04,175	-	6,39,04,175	-
Trade receivables - Group	3,98,58,378	3,98,58,378	-	3,98,58,378	-
Loans - credit substitute	4,43,09,65,047	4,43,09,65,047	-	4,43,09,65,047	-
Loans	96,19,37,868	96,19,37,868	-	96,19,37,868	-
Loans - Group	6,31,40,47,015	6,31,40,47,015	-	6,31,40,47,015	-
Investments at amortised cost - Group	4,38,81,18,899	4,38,81,18,899	-	4,38,81,18,899	-
Investments at cost - Group	7,71,69,14,272	7,71,69,14,272	-	7,71,69,14,272	-
Other financial assets - Group	12,78,46,368	12,78,46,368	-	12,78,46,368	-
Other financial assets	29,42,590	29,42,590	-	29,42,590	-
<b>Total</b>	<b>24,51,70,53,011</b>	<b>24,51,70,53,011</b>	<b>47,05,18,399</b>	<b>24,04,65,34,612</b>	<b>-</b>
<b>Financial liabilities:</b>					
Trade payables	4,46,57,681	4,46,57,681	-	4,46,57,681	-
Trade payables - Group	11,88,66,326	11,88,66,326	-	11,88,66,326	-
Debt securities	20,08,47,95,813	20,08,47,95,813	-	20,08,47,95,813	-
Borrowing (other than debt securities)	16,02,18,490	16,02,18,490	-	16,02,18,490	-
Borrowing (other than debt securities) Group	9,13,84,93,099	9,13,84,93,099	-	9,13,84,93,099	-
Deposits	2,16,89,68,081	2,16,89,68,081	-	2,16,89,68,081	-
Deposits - Group	44,65,24,000	44,65,24,000	-	44,65,24,000	-
Subordinated liabilities	88,13,44,473	88,13,44,473	-	88,13,44,473	-
Other financial liabilities - Group	35,06,62,138	35,06,62,138	-	35,06,62,138	-
Other financial liabilities	4,17,22,974	4,17,22,974	-	4,17,22,974	-
<b>Total</b>	<b>33,43,62,53,075</b>	<b>33,43,62,53,075</b>	<b>-</b>	<b>33,43,62,53,075</b>	<b>-</b>



# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

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

Amount of Rs. 16,05,566/- (Previous year: Rs. 39,69,889/-) is recognised as expenses and included in "Employee benefit" – Note 42 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 2021	31 March 2020
Current service cost	4,86,000	10,94,000
Interest on defined benefit obligation	3,02,000	6,46,000
Past service cost	13,10,000	-
Actuarial loss/(gain)	-	-
<b>Total included in employee benefit expenses</b>	<b>20,98,000</b>	<b>17,40,000</b>

#### Balance sheet:

#### Details of provision for gratuity:

	31 March 2021	31 March 2020
Liability at the end of the year	77,92,001	1,04,93,001
Amount in balance sheet	77,92,001	1,04,93,001

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

	31 March 2021	31 March 2020
Liability at the beginning of the year	1,04,93,001	90,46,305
Transfer in/(out)	(53,78,000)	1,84,000
Interest cost	3,02,000	6,46,000
Current service cost	4,86,000	10,94,161
Past service cost	13,10,000	-
Benefits paid	-	(7,76,465)
Re-measurement	5,79,000	2,99,000
Actuarial (gain)/loss on obligations	-	-
<b>Liability at the end of the year</b>	<b>77,92,001</b>	<b>1,04,93,001</b>

Non-current liability at the end of the year	51,86,001	89,70,001
Current liability at the end of the year	26,06,000	15,23,000

#### Amount recognised in the balance sheet:

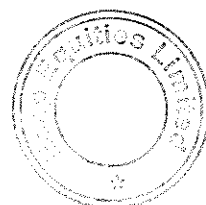
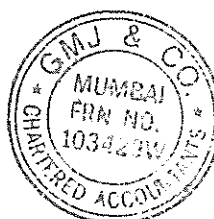
	For the year ended	For the year ended
	31 March 2021	31 March 2020
Liability at the end of the year	77,92,001	1,04,93,001
Fair value of plan assets at the end of year	-	-
<b>Amount recognized in balance sheet</b>	<b>77,92,001</b>	<b>1,04,93,001</b>

#### Experience adjustment:

	For the year ended	For the year ended
	31 March 2021	31 March 2020
On plan liabilities (gain)/loss	(13,000)	(3,13,000)
On plan assets (gain)/loss	-	-
<b>Estimated contribution for next year</b>	<b>(13,000)</b>	<b>(3,13,000)</b>

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

	31 March 2021	31 March 2020
Discount rate current	5.00%	5.90%
Salary escalation current	7.00%	7.00%
Employees attrition rate	25%	13%-25%
Expected return on plan assets	5.90%	7.00%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)



# ECap Equities Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

#### Movement in other comprehensive income

	31 March 2021	31 March 2020
Balance at start of year (Loss)/ Gain	5,79,000	8,71,000
<b>Re-measurements on defined benefit obligation</b>		
a) Actuarial Loss/(Gain) from changes in demographic assumptions	(3,06,000)	-
b) Actuarial Loss/(Gain) from changed in financials assumptions	(2,86,000)	(6,11,000)
c) Actuarial Loss/(Gain) from experience over last past year	13,000	3,19,000
<b>Re-measurements on plan assets</b>		
Interest on the net defined benefit liability / (asset)	-	-
Balance at end of year (Loss)/ Gain	-	5,79,000

#### Sensitivity analysis:

DBO increases/ (decreases) by	31 March 2021	31 March 2020
1% Increase in Salary Growth Rate	1,16,000	4,60,000
1% Decrease in Salary Growth Rate	(1,11,000)	(4,23,000)
1% Increase in Discount Rate	(1,12,000)	(4,24,000)
1% Decrease in Discount Rate	1,20,000	4,70,000
1% Increase in Withdrawal Rate	(7,000)	(24,000)
1% Decrease in Withdrawal Rate	8,000	26,000
Mortality (increase in expected lifetime by 1 year)	-	Negligible change
Mortality (increase in expected lifetime by 3 years)	-	1

#### Movement in surplus / (deficit)

	31 March 2021	31 March 2020
Surplus / (Deficit) at start of year	(1,04,93,001)	(90,46,465)
Net Transfer (In)/ Out	53,78,000	(1,84,000)
Current Service Cost	(4,86,000)	(10,94,001)
Benefits Paid	-	7,76,465
Past Service Cost	(13,10,000)	-
Net Interest on net DBO	(3,02,000)	(6,46,000)
Re-measurements	(5,79,000)	(2,99,000)
Surplus / (Deficit) at end of year	(77,92,001)	(1,04,93,001)



# ECap Equities Limited

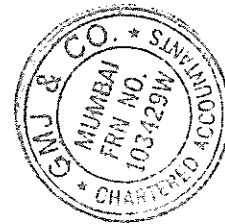
## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 56 Maturity analysis of assets and liabilities

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

Particulars	31 March 2021			31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	24,86,15,071	-	24,86,15,071	47,05,18,399	-	47,05,18,399
Other bank balances	-	-	-	-	-	-
Derivative financial instruments	1,41,78,32,013	-	1,41,78,32,013	2,44,00,85,495	-	2,44,00,85,495
Stock in trade	9,26,21,94,363	-	9,26,21,94,363	5,84,24,22,535	-	5,84,24,22,535
Trade receivables - Group	11,97,47,167	-	11,97,47,167	6,39,04,175	-	6,39,04,175
Trade receivables	29,705	-	29,705	3,98,58,378	-	3,98,58,378
Loans	39,28,15,509	2,02,67,48,850	2,41,95,64,359	4,52,62,03,523	85,94,47,973	5,38,56,51,496
Loans - Group	3,59,11,52,647	-	3,59,11,52,647	6,32,12,98,434	-	6,32,12,98,434
Investments	5,66,02,00,975	12,78,92,69,083	18,44,94,70,058	5,16,954	14,57,89,77,354	14,57,94,94,308
Other financial assets - Group	10,05,24,242	-	10,05,24,242	2,78,46,368	10,00,00,000	12,78,46,368
Other financial assets	12,20,137	26,69,549	38,89,686	-	29,42,590	29,42,590
	<b>20,79,43,31,829</b>	<b>14,81,86,87,482</b>	<b>35,61,30,19,311</b>	<b>19,73,26,54,269</b>	<b>15,54,13,57,918</b>	<b>35,27,40,22,178</b>
<b>Non-financial assets</b>						
Current tax assets (net)	16,54,19,549	26,67,86,949	43,22,06,498	-	19,63,89,006	19,63,89,006
Deferred tax assets (net)	-	1,05,33,37,684	1,05,33,37,684	-	82,48,11,022	82,48,11,022
Investment property	-	80,12,23,271	80,12,23,271	-	84,33,92,917	84,33,92,917
Property, plant and equipment	-	2,02,59,519	2,02,59,519	-	3,01,73,829	3,01,73,829
Capital work-in-progress	-	-	-	-	-	-
Goodwill	-	6,09,43,805	6,09,43,805	-	6,09,43,805	6,09,43,805
Other intangible assets	-	75,38,586	75,38,586	-	2,32,21,435	2,32,21,435
Other non-financial assets	1,39,58,368	12,22,131	1,51,80,499	12,81,19,001	26,83,932	13,08,02,933
	<b>17,93,77,917</b>	<b>2,21,13,11,945</b>	<b>2,39,06,89,862</b>	<b>12,81,19,001</b>	<b>1,98,16,15,946</b>	<b>2,10,97,34,947</b>
<b>Total assets</b>	<b>20,97,37,09,746</b>	<b>17,02,99,99,427</b>	<b>38,00,37,09,173</b>	<b>19,86,07,73,261</b>	<b>17,52,29,83,864</b>	<b>37,38,37,57,125</b>



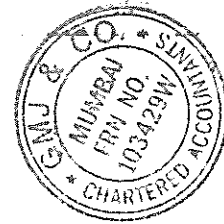
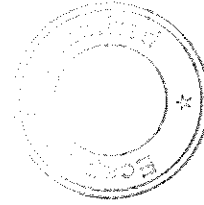
**ECap Equities Limited**

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

(Currency : Indian rupees)

**56 Maturity analysis of assets and liabilities (continued)**

Particulars	31 March 2021		31 March 2020		Total
	Within 12 months	After 12 months	Within 12 months	After 12 months	
<b>Financial liabilities</b>					
Derivative financial instruments	1,42,06,13,652	-	2,61,49,62,916	-	2,61,49,62,916
Trade payables	3,10,51,464	-	4,46,57,681	-	4,46,57,681
Trade payables - group	3,44,48,481	-	11,88,66,326	-	11,88,66,326
Debt securities	8,09,59,73,134	11,22,81,49,929	10,23,29,63,739	9,85,18,32,074	20,08,47,95,813
Borrowing (other than debt securities)	-	-	16,02,18,490	-	16,02,18,490
Borrowing (other than debt securities) - Group	14,58,02,86,604	-	9,13,84,93,099	-	9,13,84,93,099
Deposits	5,84,74,623	-	2,61,54,92,081	-	2,61,54,92,081
Subordinated liabilities - Group	1,00,00,00,000	-	88,13,44,473	-	88,13,44,473
Other financial liabilities	37,32,44,571	-	14,99,71,505	24,24,13,607	39,23,85,112
	<b>25,59,40,92,529</b>	<b>11,22,81,49,929</b>	<b>25,95,69,70,312</b>	<b>10,09,42,45,681</b>	<b>36,05,12,15,991</b>
<b>Non-financial liabilities</b>					
Current tax liabilities (net)	3,58,05,574	-	2,47,42,573	-	2,47,42,573
Provisions	27,53,000	56,53,226	18,85,000	1,08,06,001	1,26,91,001
Deferred tax liabilities (net)	-	-	-	-	-
Other non-financial liabilities	2,37,81,723	-	14,89,71,717	-	14,89,71,717
	<b>6,23,40,297</b>	<b>56,53,226</b>	<b>17,55,99,290</b>	<b>1,08,06,001</b>	<b>18,64,05,291</b>
<b>Total liabilities</b>	<b>25,65,64,32,826</b>	<b>11,23,38,03,155</b>	<b>26,13,25,69,600</b>	<b>10,10,50,51,682</b>	<b>36,23,76,21,282</b>





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

(Currency: Indian Rupees)

**57 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 shows 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 2021		31 March 2020	
	Maximum exposure to credit risk	Principal type of collateral	Maximum exposure to credit risk	Principal type of collateral
Financial assets				
Cash collateral on securities borrowed and reverse repurchase agreement	3,16,68,205	Unsecured	1,62,71,488	Unsecured
Loans:				
Retail Loans	-	(Land, real estate property and securities)	-	(Land, real estate property and securities)
Wholesale loans - Secured	2,17,10,28,333	Unsecured	6,14,42,59,353	Unsecured
Wholesale loans - Unsecured	3,59,70,00,001	Unsecured	15,53,95,179	Unsecured
Wholesale loans - Group	3,59,17,98,076	Unsecured	6,32,12,98,434	Unsecured
Trade receivables	1,70,35,884	Unsecured	6,16,36,024	Unsecured
Trade receivables - Group	12,45,84,659	Unsecured	4,21,26,529	Unsecured
Debt instruments at amortised cost - Group	6,26,82,16,305	Unsecured	4,38,81,26,619	Unsecured
Debt instruments at amortised cost	98,39,33,525	Unsecured	-	Unsecured
Other financial assets	10,44,13,928	Unsecured	13,07,88,958	Unsecured
<b>Total financial assets at amortised cost Total (A)</b>	<b>16,88,96,78,916</b>		<b>17,25,99,02,584</b>	
Derivative financial instruments	1,48,54,49,581	Unsecured	2,47,47,28,898	Unsecured
Financial assets at FVTPL (except equity)	16,73,09,736	Unsecured	-	Unsecured
Financial assets at FVTPL (except equity) - Group	6,31,87,31,993	Unsecured	5,23,98,33,466	Unsecured
<b>Total financial instruments at fair value through profit or loss. Total (B)</b>	<b>7,97,14,91,310</b>		<b>7,71,45,62,364</b>	
Debt instruments at fair value through OCI	-		-	
<b>Total debt instruments at fair value through OCI</b>	<b>-</b>		<b>-</b>	
<b>Total (A) + (B)</b>	<b>24,86,11,70,226</b>		<b>24,97,44,64,948</b>	
Loan commitments	-		-	
Financial guarantee contracts*	2,85,00,00,000		-	
Other commitments (max exposure)	2,85,00,00,000		-	
<b>Total</b>	<b>27,71,11,70,226</b>		<b>24,97,44,64,948</b>	

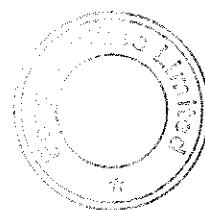
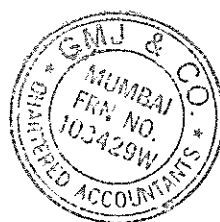
\* The Company alongwith its holding company Edelweiss Financial Services Limited has given guarantee to trustees of holders of non-convertible debentures issued by its Group Company Edelweiss Investment Advisors Limited amounting to Rs. 2,85,00,00,000/-.

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

	31 March 2021	Associated ECL	Carrying amount	Fair value of collateral	31 March 2020	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	3,80,36,55,562	3,11,66,39,447	68,70,16,115	20,00,00,000	2,66,53,14,765	75,73,54,337	1,90,79,60,428	11,18,00,00,000
Distressed assets	-	-	-	-	-	-	-	-
<b>Total financial assets at amortised cost</b>	<b>3,80,36,55,562</b>	<b>3,11,66,39,447</b>	<b>68,70,16,115</b>	<b>20,00,00,000</b>	<b>2,66,53,14,765</b>	<b>75,73,54,337</b>	<b>1,90,79,60,428</b>	<b>11,18,00,00,000</b>
Debt instruments at fair value through OCI	-	-	-	-	-	-	-	-
	3,80,36,55,562	3,11,66,39,447	68,70,16,115	20,00,00,000	2,66,53,14,765	75,73,54,337	1,90,79,60,428	11,18,00,00,000
Loan commitments	-	-	-	-	-	-	-	-
Financial guarantee contracts	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,80,36,55,562</b>	<b>3,11,66,39,447</b>	<b>68,70,16,115</b>	<b>20,00,00,000</b>	<b>2,66,53,14,765</b>	<b>75,73,54,337</b>	<b>1,90,79,60,428</b>	<b>11,18,00,00,000</b>

Company holds collateral (of 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 2021	31 March 2020
Land, real estate property and securities	8,59,40,00,000	17,03,62,74,104
<b>Total</b>	<b>8,59,40,00,000</b>	<b>17,03,62,74,104</b>



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

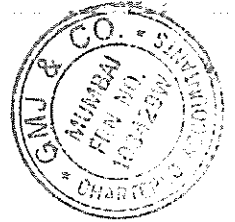
### 58 Analysis of risk concentration

#### Industry analysis - Risk concentration for 31 March 2021

Particulars	Financial services	Consumers	Retail and wholesale	Construction	Oil & gas	Mining industry	Energy	Industrial Goods	Pharmaceuticals & Chemical	Services	Insurance	Others	Total
Financial assets													
Derivative financial instruments	1,41,78,32,013	-	-	-	-	-	-	-	-	-	-	-	1,41,78,32,013
Financial assets carried at fair value through profit and loss	13,94,32,13,939	69,10,22,408	30,59,974	-	56,73,219	1,99,16,96,000	1,97,91,320	92,77,422	2,30,49,864	38,96,52,845	22,021	44,91,600	17,08,09,51,212
Cash and cash equivalent	24,86,15,071	-	-	-	-	-	-	-	-	-	-	-	24,86,15,071
Trade receivables	29,705	-	-	-	-	-	-	-	-	-	-	-	29,705
Trade receivables - Group	10,98,75,116	-	-	-	-	-	-	-	-	-	96,72,051	-	11,97,47,167
Loans - credit substitute	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans	25,89,03,262	-	7,42,29,609	1,59,40,84,354	-	-	13,84,35,390	-	-	4,08,26,285	-	-	1,73,25,20,744
Loans - Group	3,59,11,52,647	-	-	7,18,36,229	-	-	-	-	-	-	-	-	68,70,43,615
Investments at amortised cost - Group	6,26,81,44,485	-	-	-	-	-	-	-	-	-	-	-	3,59,11,52,647
Investments at amortised cost	3,24,78,000	-	-	95,14,55,525	-	-	-	-	-	-	-	-	6,26,81,44,485
Investments at cost - Group	3,37,86,35,199	-	-	-	-	-	-	-	-	-	-	-	98,39,33,525
Other financial assets	10,21,12,538	-	-	-	-	-	23,01,390	92,77,422	-	-	-	-	3,37,86,35,199
Other Commitments	29,35,09,91,975	69,10,22,408	7,72,89,583	2,61,73,78,108	56,73,219	1,99,16,96,000	16,05,29,700	92,77,422	2,30,49,864	43,04,79,130	98,94,072	24,57,37,830	35,61,30,19,311
Total	29,35,09,91,975	69,10,22,408	7,72,89,583	2,61,73,78,108	56,73,219	1,99,16,96,000	16,05,29,700	92,77,422	2,30,49,864	43,04,79,130	98,94,072	24,57,37,830	35,61,30,19,311

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

Particulars	Financial services	Consumers	Retail and wholesale	Construction	Oil & gas	Mining industry	Energy	Industrial Goods	Pharmaceuticals & Chemical	Services	Insurance	Textiles	Total
Financial assets													
Derivative financial instruments	2,44,00,85,495	-	-	-	-	-	-	-	-	-	-	-	2,44,00,85,495
Financial assets carried at fair value through profit and loss	6,72,51,00,743	1,06,69,35,388	25,28,704	44,88,75,378	683	-	72,16,515	11,910	-	6,61,98,326	16,025	-	8,31,68,83,672
Cash and cash equivalent	47,05,18,399	-	-	-	-	-	-	-	-	-	-	-	47,05,18,399
Bank balances other than cash and cash equivalent	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	43,75,592	4,30,37,801	7,25,182	43,75,992	-	-	-	1,01,65,490	5,63,358	-	97,000	5,63,358	6,39,04,175
Trade receivables - Group	1,02,32,922	-	-	4,26,29,05,246	-	-	16,80,59,910	-	-	-	2,96,25,456	-	3,98,58,378
Loans - credit substitute	-	-	-	96,19,37,867	-	-	-	-	-	-	-	-	4,43,09,65,046
Loans	-	-	-	-	-	-	-	-	-	-	-	-	96,19,37,867
Loans - Group	6,31,40,47,017	-	-	-	-	-	-	-	-	-	-	-	6,31,40,47,017
Investments at amortised cost - Group	4,38,81,18,899	-	-	-	-	-	-	-	-	-	-	-	4,38,81,18,899
Investments at amortised cost	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments at cost - Group	7,71,69,14,272	-	-	-	-	-	-	-	-	-	-	-	7,71,69,14,272
Other financial assets	12,84,87,568	-	-	-	-	-	23,01,390	-	-	-	-	-	13,07,89,958
Other Commitments	28,19,78,81,307	1,10,99,73,189	32,53,886	5,67,80,94,483	683	-	17,75,77,705	1,01,77,400	5,63,358	6,61,98,326	-	5,63,358	35,27,40,22,178
Total	28,19,78,81,307	1,10,99,73,189	32,53,886	5,67,80,94,483	683	-	17,75,77,705	1,01,77,400	5,63,358	6,61,98,326	-	5,63,358	35,27,40,22,178



# ECap Equities Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees)

### 59 Cash flow disclosure

Change in liabilities arising from financing activities

Particulars	01 April 2020	Cash flows	Changes in fair values	Others*	31 March 2021
Debt securities	20,08,47,95,813	13,11,16,205	-	(89,17,88,955)	19,32,41,23,063
Borrowings other than debt securities	9,29,87,11,589	5,15,46,11,779	-	12,69,63,236	14,58,02,86,604
Deposits	2,61,54,92,081	(2,61,50,15,316)	-	5,79,97,858	5,84,74,623
Subordinated Liabilities	88,13,44,473	-	11,86,55,527	-	1,00,00,00,000
<b>Total liabilities from financing activities</b>	<b>32,88,03,43,956</b>	<b>2,67,07,12,668</b>	<b>11,86,55,527</b>	<b>(70,68,27,861)</b>	<b>34,96,28,84,290</b>

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

Particulars	01 April 2019	Cash flows	Changes in fair values	Others*	31 March 2020
Debt securities	30,67,54,21,135	(11,98,39,30,609)	-	1,39,33,05,287	20,08,47,95,813
Borrowings other than debt securities	15,59,92,60,610	(7,39,63,05,178)	-	1,09,57,56,157	9,29,87,11,589
Deposits	1,39,03,76,434	1,17,26,53,563	-	5,24,62,084	2,61,54,92,081
Subordinated liabilities	-	1,00,00,00,000	(11,86,55,527)	-	88,13,44,473
<b>Total liabilities from financing activities</b>	<b>47,66,50,58,179</b>	<b>(17,20,75,82,224)</b>	<b>(11,86,55,527)</b>	<b>2,54,15,23,528</b>	<b>32,88,03,43,956</b>

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

### 60 Prior period comparatives

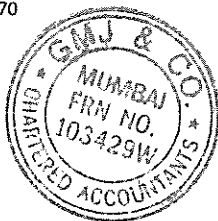
Previous year's figures have been regrouped and rearranged wherever necessary to conform to current year's presentation

As per our report of even date attached.

For GMJ & Company  
Chartered Accountants  
Firm Registration No.: 103429W

Haridas Bhat  
Partner  
Membership No.: 39070

Mumbai  
10 June 2021



For and on behalf of the Board of Directors

*R. Panjwani*  
Rujan Panjwani  
Executive Director  
DIN: 00237366

*G. Ramesh*  
Ganesan R  
Director  
DIN: 07446631

*Ritesh S. Jain*  
Ritesh S. Jain  
Chief Financial Officer  
Mumbai  
10 June 2021

