

INDEPENDENT AUDITOR'S REPORTTo the Members of **Edelcap Securities Limited****Report on the Audit of the Special Purpose Financial Statements****Opinion**

We have audited the accompanying Special Purpose Financial Statements of **Edelcap Securities 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.

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

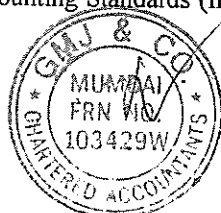
The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the special purpose financial statements and our auditor's report thereon.

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

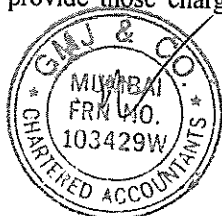
Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is 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

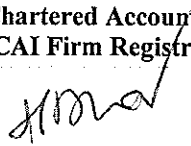


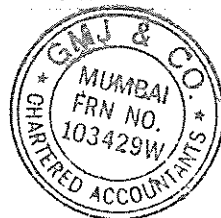
ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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, and according to the information and explanation given to us, no remuneration has been paid by the Company to its directors during the current year;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in financial statement-as per Note No. 40 of the Financial Statement;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GMJ & Co
Chartered Accountants
ICAI Firm Registration No. 103429W


Haridas Bhat
Partner
Membership No.: 039070



UDIN : 21039070AAAAKA9289

Place : Mumbai
Date : June 3, 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 **Edelcap Securities 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

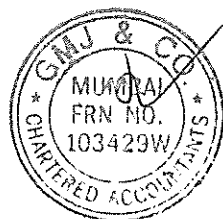
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these special purpose financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial 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.

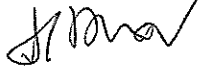
Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Special purpose Financial Statements

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 GMI & Co
Chartered Accountants
ICAI Firm Registration No. 103429W



Haridas Bhat
Partner
Membership No.: 039070



UDIN : 21039070AAAAKA9289

Place : Mumbai
Date : June 3, 2021

Edelcap Securities Limited

Balance Sheet

(Currency : Indian rupees)

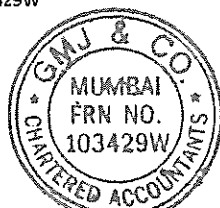
	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Financial assets			
Cash and cash equivalents	7	98,82,978	1,07,03,537
Bank balances other than cash and cash equivalents	8	73,18,676	73,75,506
Derivative financial instruments	9	1,21,38,86,465	700
Stock in trade	10	3,50,93,03,538	1,39,77,25,028
Trade receivables	11	7,49,86,069	8,24,271
Loans	12	70,08,564	44,79,74,177
Investments	13	2,73,39,93,898	2,73,46,23,088
Other financial assets	14	1,23,98,067	1,38,63,696
		<u>7,56,87,78,255</u>	<u>4,61,30,90,003</u>
Non-financial assets			
Current tax assets (net)	15	4,14,10,904	3,52,65,360
Deferred tax assets (net)	16	26,04,16,819	35,10,64,687
Property, plant and equipment	17	1,39,47,789	1,46,43,327
Other Intangible assets	17	53,222	2,45,719
Other non- financial assets	18	72,61,354	3,81,54,274
		<u>32,30,90,088</u>	<u>43,93,73,367</u>
TOTAL ASSETS		<u>7,89,18,68,343</u>	<u>5,05,24,63,370</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
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	19	1,31,10,859	3,36,78,223
Borrowings (other than debt securities)	20	2,38,41,90,375	-
Subordinated liabilities	21	4,37,62,50,000	3,86,46,63,242
Other financial liabilities	22	53,58,42,012	48,33,458
		<u>7,30,93,93,246</u>	<u>3,90,31,74,923</u>
Non-financial liabilities			
Current tax liabilities (net)	23	56,48,643	32,15,372
Provisions	24	4,03,35,095	2,63,27,247
Other non-financial liabilities	25	1,70,78,286	1,76,82,486
		<u>6,30,62,024</u>	<u>4,72,25,105</u>
EQUITY			
Equity share capital	26	30,00,000	30,00,000
Other equity	27	51,64,13,073	1,09,90,63,342
		<u>51,94,13,073</u>	<u>1,10,20,63,342</u>
TOTAL LIABILITIES AND EQUITY		<u>7,89,18,68,343</u>	<u>5,05,24,63,370</u>

Significant accounting policies and notes forming part of the financial statements 1-51

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

For GMJ & Co.
Chartered Accountants
ICAI Firm Registration No. 103429W

Haridas Bhat
Partner
Membership No. 039070
Mumbai
03 June 2021



UDIN: 21039070AAAAKA9289

For and on behalf of Board of Directors

Rituparna Barman Roy
Executive Director
DIN - 08050620

Amit Kothari
Director
DIN - 05231769

Ritesh Jain
Chief Financial Officer
Mumbai
03 June 2021



Edelcap Securities Limited

Statement of Profit and Loss

(Currency : Indian rupees)

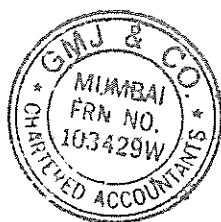
	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations			
Interest income	28	26,72,36,930	11,79,11,672
Dividend income	29	98,63,383	16,31,970
Fee and commission income	30	6,03,804	18,71,262
Net gain on fair value changes	31	1,34,96,28,456	-39,48,49,097
Total revenue from operations		1,62,73,32,573	-27,34,34,193
Other income	32	7,53,401	14,64,365
Total income		1,62,80,85,974	-27,19,69,828
Expenses			
Finance costs	33	73,34,25,252	44,98,75,302
Impairment on financial instruments	34	21,460	1,16,700
Employee benefits expense	35	93,48,76,848	26,35,53,506
Depreciation, amortisation and impairment	17	75,96,451	82,06,730
Other expenses	36	43,56,28,633	17,75,89,475
Total expenses		2,11,15,48,644	89,93,41,713
(Loss) before tax		-48,34,62,670	-1,17,13,11,541
Tax expenses:			
Current tax		6,10,731	36,76,867
Deferred tax		9,26,43,439	-32,80,22,131
(Loss) for the year		-57,67,16,840	-84,69,66,277
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans (OCI)		-79,29,000	-5,32,000
Less: Income tax relating to items that will not be reclassified to profit or loss		19,95,571	1,65,984
Other Comprehensive Income		-59,33,429	-3,66,016
Total comprehensive income		-58,26,50,269	-84,73,32,293
Earnings per equity share (Face value of Rs 10 each):			
Basic and diluted	39	-1,922.39	-2,823.22
Significant accounting policies and notes forming part of the financial statements	1-51		

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

For GMJ & Co.
Chartered Accountants
ICAI Firm Registration No. 103429W

Haridas Bhat
Partner
Membership No. 039070
Mumbai
03 June 2021

UDIN: 21039070AAAAKA9289



For and on behalf of Board of Directors

Rituparna Barman Roy
Rituparna Barman Roy
Executive Director
DIN - 08050620

Amit Kothari
Amit Kothari
Director
DIN - 05231769

Ritesh Jain
Ritesh Jain
Chief Financial Officer
Mumbai
03 June 2021



Edelcap Securities Limited

Cash flow statement

(Currency: Indian Rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
A Cash flow from operating activities		
(Loss) before taxation	-48,34,62,670	-1,17,13,11,541
<i>Adjustments for</i>		
Interest income	-2,16,57,111	-31,41,888
Depreciation	75,96,451	82,06,730
Profit on sale of fixed assets	-10,220	-1,67,329
Profit on sale of investment	-	-2,72,38,188
Provision for gratuity and compensated absences	2,19,36,848	1,25,52,331
Income distribution from fund	-	-6,29,12,168
Fair value of financial instruments	-2,65,57,269	9,07,96,497
Interest expense on subordinated liabilities	51,15,86,758	23,24,43,822
Interest expense	21,34,13,497	21,72,29,787
Operating cash flow before working capital changes	22,28,46,284	-70,35,41,947
<i>Adjustments for working capital changes</i>		
Increase/(decrease) in financial liabilities (including trade payables)	51,04,41,186	-6,09,49,984
(Decrease) / increase in non-financial liabilities	-1,64,62,200	98,42,382
Decrease/ (increase) in fixed deposit including accrued interest	56,830	-74,427
(Increase)/ decrease in derivative financial instruments	-1,21,38,85,765	81,45,924
(Increase)/ decrease in stock in trade	-2,08,44,42,051	17,37,88,862
Increase in trade receivables	-7,41,61,793	-6,33,235
Decrease in other financial assets	15,15,629	1,95,14,84,243
Increase in other non-financial assets	3,08,92,920	-1,64,45,453
Cash (used in)/ generated from operations	-2,62,31,98,960	1,36,16,16,365
निष्कर्मित कर पैसे	-43,23,004	-37,21,672
Net cash (used in)/ generated from operating activities - A	-2,62,75,21,964	1,35,78,94,693
B Cash flow from investing activities		
Purchase of fixed assets	-68,84,374	-1,40,19,744
Sale of fixed assets	1,86,177	4,69,488
Sale of investment	-	41,09,88,188
Income from investment in fund	-	6,29,12,168
Interest received	1,74,76,246	31,41,888
Net cash generated from investing activities - B	1,07,78,049	46,34,91,988
C Cash flow from financing activities		
Borrowings (other than debt securities) (refer Note 2)	2,37,24,45,954	-3,42,71,47,753
Loans and Advances given	44,51,46,478	-44,79,74,177
Proceeds from issue of preference shares	4,37,62,50,000	4,37,62,50,000
Payment on redemption of preference share capital	-4,37,62,50,000	-2,07,00,50,000
Interest paid	-20,16,69,076	-24,63,96,688
Net cash generated from/ (used in) financing activities - C	2,61,59,23,356	-1,81,53,18,618
Net (decrease) / increase in cash and cash equivalents (A+B+C)	-8,20,559	60,68,063
Cash and cash equivalents as at the beginning of the year	1,07,03,537	46,35,474
Cash and cash equivalents as at the end of the year (refer note 1)	98,82,978	1,07,03,537

Notes:

1 Cash and cash equivalents include the following:

Balances with banks:

In current accounts

98,82,978

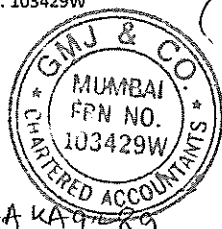
1,07,03,537

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
ICAI Firm Registration No. 103429W

Haridas Bhat
Partner
Membership No. 039070
Mumbai
03 June 2021

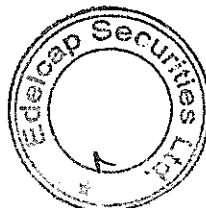


For and on behalf of Board of Directors

Rituparna Barman Roy
Executive Director
DIN - 08050620

Ritesh Jain
Chief Financial Officer
Mumbai
03 June 2021

Amit Kothari
Director
DIN - 05231769



UDIN: 21039070AAA KA 9 89

Edelcap Securities 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	30,00,000	30,00,000
Changes in equity share capital (refer note 26)	-	-
Balance at the end of the year	30,00,000	30,00,000

(B) Other Equity

	ESOP reserve	Retained earnings	Total
Balance at 31 March 2020 (Ind AS)	36,05,120	1,09,54,58,222	1,09,90,63,342
Loss for the year	-	-57,67,16,840	-57,67,16,840
Other comprehensive income	-	-59,33,429	-59,33,429
Total comprehensive income for the year	-	-58,26,50,269	-58,26,50,269
Balance at 31 March 2021 (Ind AS)	36,05,120	51,28,07,953	51,64,13,073

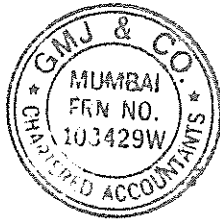
1 ESOP reserve:

Certain of the Company's employees 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

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

For GMJ & Co.
 Chartered Accountants
 ICAI Firm Registration No. 103429W

Haridas Bhat
 Partner
 Membership No. 039070
 Mumbai
 03 June 2021

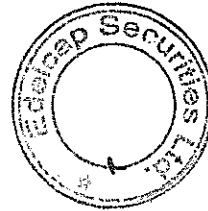


For and on behalf of Board of Directors

Rituparna Barman Roy
 Rituparna Barman Roy
 Executive Director
 DIN - 08050620

Amit Kothari
 Amit Kothari
 Director
 DIN - 05231769

Ritesh Jain
 Ritesh Jain
 Chief Financial Officer
 Mumbai
 03 June 2021



UDIN: 21039070AAAAKA9289

Edelcap Securities Limited
Notes to the financial statements
for the year ended 31 March 2021

1. Background

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

The Company is a wholly owned subsidiary of ECap Equities Limited and is registered as Trading member with NSE and BSE in Currency derivatives segment. The Company is also registered as an Authorised Participant ('AP') of Edelweiss Securities Limited for Capital Market Segment and Derivatives Segment with NSE and BSE.

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 outbreak of COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. The pandemic and its consequent adverse effect on the economy also adversely impacted the financial markets.

In preparing these financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments as at March 31, 2021 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.



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for the year ended 31 March 2021

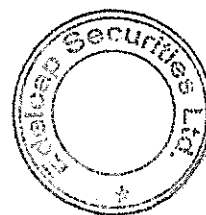
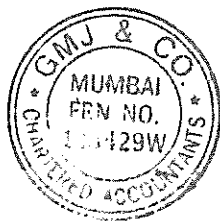
3. Presentation of financial statements

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 48.

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 2020 in Indian Rupees in millions which is prepared in accordance with Division III 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.



Edelcap Securities Limited
Notes to the financial statements
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 FVOCI. 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.

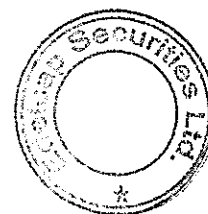
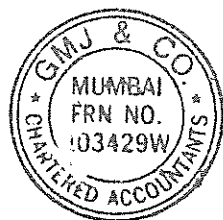
4.1.3 Dividend income is recognised in statement of profit and loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

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.

4.2 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.



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Notes to the financial statements

for the year ended 31 March 2021

4.2.2 Initial measurement of financial instruments

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

4.2.3 Day 1 profit or loss

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

4.3 Classification of financial instruments

4.3.1 Financial assets:

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

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

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

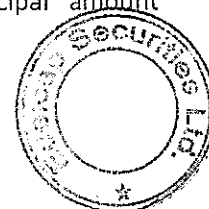
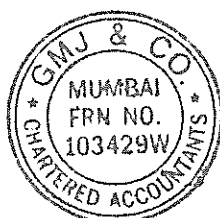
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal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

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

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



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Notes to the financial statements

for the year ended 31 March 2021

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

4.3.1.1 Amortized cost and Effective interest rate method (EIR)

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

4.3.1.2 Financial assets held for trading

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

4.3.1.3 Financial asset measured at FVOCI

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

4.3.1.4 Investment in equity instruments

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

4.3.2 Financial liabilities

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

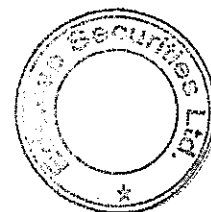
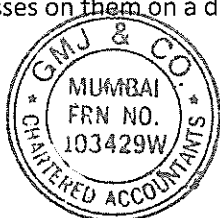
4.3.2.1 Debt securities and other borrowed funds

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.

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



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Notes to the financial statements

for the year ended 31 March 2021

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

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

4.3.2.3 Financial guarantee:

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

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

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.

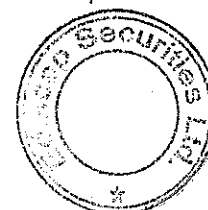
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received.

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.

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.

4.4 Reclassification of financial assets and liabilities



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Notes to the financial statements

for the year ended 31 March 2021

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.

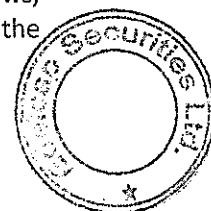
The Company has transferred the financial asset if, and only if, either:

- 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

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



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for the year ended 31 March 2021

period between the collection date and the date of required remittance to the eventual recipients.

A transfer qualifies for derecognition if either:

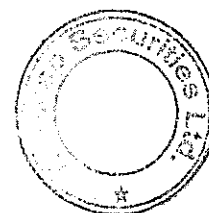
- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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.



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for the year ended 31 March 2021

4.6 Impairment of financial assets

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

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

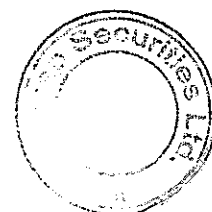
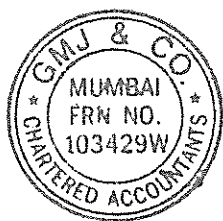
For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company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

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

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

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

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



Edelcap Securities Limited

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for the year ended 31 March 2021

4.7 Collateral valuation

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

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

4.8 Collateral repossessed

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

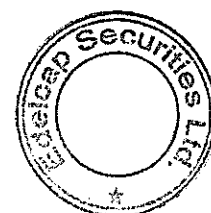
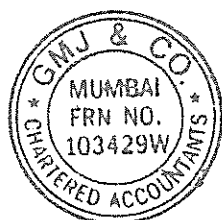
In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

4.9 Write off

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

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.



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Notes to the financial statements

for the year ended 31 March 2021

4.11 Determination of fair value

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

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

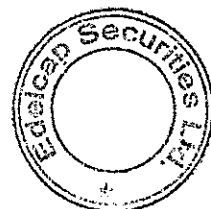
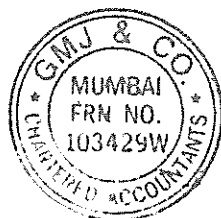
The principal or the most advantageous market must be accessible by the Company.

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

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

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

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



Edelcap Securities Limited

Notes to the financial statements

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4.12 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.

4.13 Foreign currency transactions

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

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

4.14 Retirement and other employee benefit

4.14.1 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.

4.14.2 Gratuity

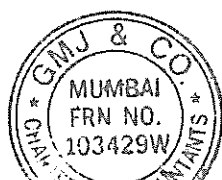
The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted 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.

4.14.3 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.



Edelcap Securities Limited
Notes to the financial statements
for the year ended 31 March 2021

The cost of providing annual leave benefits is determined using the projected unit credit method.

4.14.4 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.

4.15 Property, plant and equipment

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

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

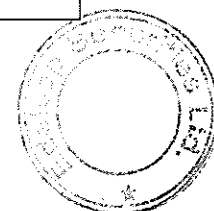
Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use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

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

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

Estimated useful lives of the assets are as follows:

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



Edelcap Securities Limited

Notes to the financial statements

for the year ended 31 March 2021

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

4.16 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.

4.17 Impairment of non-financial assets

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

4.18 Cash and cash equivalents

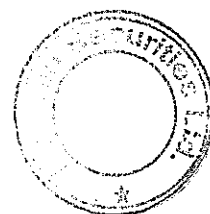
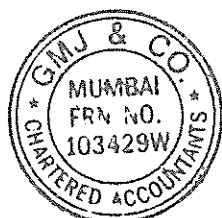
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

4.19 Provisions and Contingent liabilities

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



Edelcap Securities Limited

Notes to the financial statements

for the year ended 31 March 2021

4.20 Income tax expenses

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

4.20.1 Current tax

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

4.20.2 Deferred tax

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

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

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

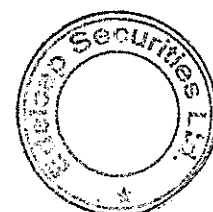
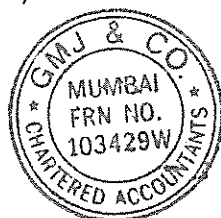
- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

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

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.



Edelcap Securities Limited
Notes to the financial statements
for the year ended 31 March 2021

4.20.3 Minimum Alternative Tax (MAT) credit

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

5. Critical accounting judgements and key sources of estimation uncertainty

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

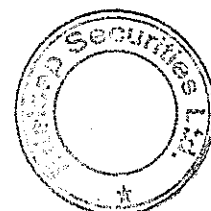
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current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

5.1 Critical judgements in applying accounting policies

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

a. Business model assessment

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



Edelcap Securities Limited
Notes to the financial statements
for the year ended 31 March 2021

b. Significant increase in credit risk

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

c. Consolidation of structured entities

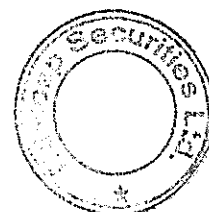
A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In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

5.2 Key sources of estimation uncertainty

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

a. Fair value of financial instruments

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.



Edelcap Securities Limited

Notes to the financial statements

for the year ended 31 March 2021

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:

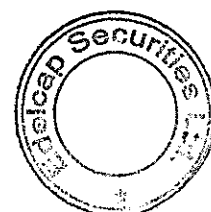
- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative 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.

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.



Edelcap Securities Limited
Notes to the financial statements
for the year ended 31 March 2021

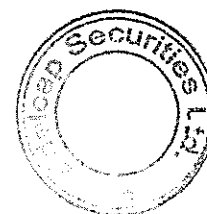
d. Accounting for deferred taxes

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.

6. Standards issued but not yet effective

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



Edelcap Securities Limited

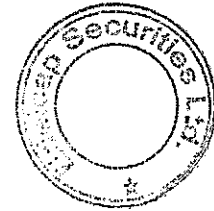
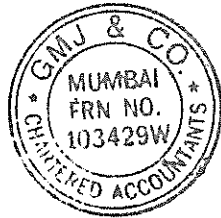
Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021	As at 31 March 2020
7 Cash and cash equivalents		
Balances with banks		
- in current accounts	98,82,978	1,07,03,537
	<u>98,82,978</u>	<u>1,07,03,537</u>
8 Bank balances other than cash and cash equivalents		
Fixed deposits, held as margin money	71,75,000	71,75,000
Accrued interest on fixed deposits	1,43,676	2,00,506
	<u>73,18,676</u>	<u>73,75,506</u>

8.1 Encumbrances' on fixed deposits held by the Company

The Company has pledged fixed deposits aggregating to Rs. 7,175,000 with National Stock exchange for meeting margin requirements (Previous year: Rs. 7,175,000).



9 Derivative financial instruments

Edelcap Securities Limited
Notes to the financial statements (Continued)
(Currency: Indian rupees)

9 Derivative financial instruments

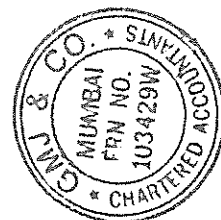
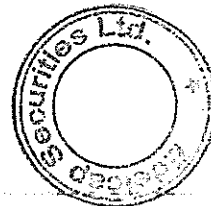
The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Particulars	31 March 2021		Fair value of asset (INR)		Fair value of liability (INR)	
	Notional amount	Unit	Notional amount	Unit	Notional amount	Unit
(i) Currency derivatives						
Currency Futures	-	Number of currency units	4,50,14,000	Number of currency units	86,78,867	Number of currency units
Options sold (written)	-	Number of currency units	1,20,00,000	Number of currency units	53,73,500	Number of currency units
Less: amounts offset (refer Note in offsetting disclosure)	-	-	-	-	-	-
Sub total (i)	-	-	-	-	-	-
(ii) Equity linked derivatives						
Stock Futures	13,46,000	Number of shares	96,89,300	Number of shares	2,28,91,936	Number of shares
Options purchased	3,75,100	Number of shares	13,05,835	Number of shares	-	-
Less: amounts offset (refer Note in offsetting disclosure)	-	-	96,89,300	-	2,28,91,936	-
Subtotal (ii)	-	-	13,05,835	-	-	-
(iii) Index linked derivatives						
Index Futures	18,000	Number of index units	9,26,733	Number of index units	-	-
Options purchased	13,99,900	Number of index units	1,21,25,80,630	Number of index units	14,02,750	Number of index units
Less: amounts offset (refer Note in offsetting disclosure)	-	-	9,26,733	-	20,47,93,559	-
Subtotal (iii)	-	-	1,21,25,80,630	-	-	-
Total derivative financial instruments	-	-	1,21,38,86,465	-	-	-

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

Particulars	31 March 2020		Fair value of asset		Fair value of liability	
	Notional amount	Unit	Notional amount	Unit	Notional amount	Unit
(i) Currency derivatives						
Currency Futures	56,000	Number of currency units	700	Number of currency units	46,29,000	Number of currency units
Options purchased	-	Number of currency units	-	Number of currency units	1,20,000	Number of currency units
Options sold (written)	-	-	-	-	-	6,300
Less: amounts offset (refer Note in offsetting disclosure)	-	-	-	-	-	-
Sub total (i)	-	-	700	-	-	-
(ii) Interest rate derivatives						
Futures	10,00,000	Number of G-sec units	13,05,000	Number of G-sec units	-	-
Less: amounts offset (refer Note in offsetting disclosure)	-	-	13,05,000	-	-	-
Subtotal (ii)	-	-	-	-	-	-
(iii) Index linked derivatives						
Index Futures	-	Number of index units	-	Number of index units	2,00,025	Number of index units
Options sold (written)	-	Number of index units	-	Number of index units	2,53,125	Number of index units
Less: amounts offset (refer Note in offsetting disclosure)	-	-	-	-	-	-
Subtotal (iii)	-	-	-	-	-	-
Total derivative financial instruments	-	-	700	-	-	-

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



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

9 Derivatives Offsetting

Financial assets subject to offsetting, netting arrangements

At 31 March 2021	Offsetting recognised in balance sheet		Total assets
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial assets	1,22,45,01,578	1,06,15,113	1,21,38,86,465

* As at the reporting date 31-Mar-2021 the amount of cash margin received that has been offset against the gross derivative assets is Rs.1,06,15,113

At 31 March 2020	Offsetting recognised in balance sheet		Total assets
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial assets	13,05,700	13,05,000	700

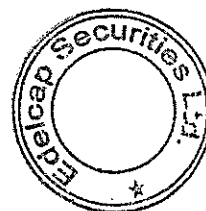
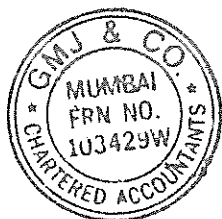
* As at the reporting date 31-Mar-2020, the amount of cash margin received that has been offset against the gross derivative assets is Rs. 13,05,000

At 31 March 2021	Offsetting recognised in balance sheet		Total liabilities
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial liabilities	24,17,37,862	24,17,37,862	-

* As at the reporting date 31-Mar-2021, the amount of cash margin received that has been offset against the gross derivative liability is Rs.24,17,37,862

At 31 March 2020	Offsetting recognised in balance sheet		Total liabilities
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial liabilities	36,40,21,997	36,40,21,997	-

* As at the reporting date 31-Mar-2020, the amount of cash margin received that has been offset against the gross derivative liability is Rs.36,40,21,997



Edelcap Securities Limited

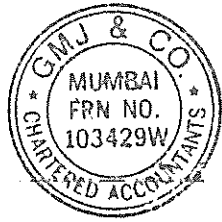
Notes to the financial statements (Continued)

(Currency : Indian rupees)

10 Stock in trade

At fair value through profit & Loss

	As at 31 March 2021	As at 31 March 2020
Particulars		
(i) Mutual fund	25,24,54,840	-
(ii) Equity instruments	1,74,52,86,906	1,45,40,700
(iii) Debentures and Bonds (Quoted)	1,51,15,61,792	1,38,31,84,328
Total - Gross	3,50,93,03,538	1,39,77,25,028
(i) Investment outside India	-	-
(ii) Investment in India	3,50,93,03,538	1,39,77,25,028
Total	3,50,93,03,538	1,39,77,25,028
Less: Allowance for impairment	-	-
Total net	3,50,93,03,538	1,39,77,25,028

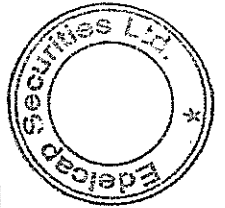


Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

10 Details of stock-in-trade	31 March 2021			31 March 2020		
	Quantity	Face Value	Amount	Quantity	Face Value	Amount
A Securities						
Equity shares (quoted)						
Carried at Fair Value through Profit and Loss						
Brigade Enterprises Limited	23,000	-	23,000	23,000	10	-
Five Core Electronics	-	-	-	9,005	10	13,35,442
Hemisphere Properties India Limited spin off	-	-	-	1	2	1,005
IIFL Wealth Management	-	-	-	1	10	18,51,200
IRIS Business Services Limited	1,04,000	10	40,71,600	1,04,000	5	53,126
J. Kumar InfraProjects Limited	706	5	1,36,717	706	10	73,501
Nandani Creation Limited	-	-	-	10,000	10	1,12,26,296
WABCO India Limited	-	-	-	1,828	5	-
State Bank of India	9,000	1	32,78,700	-	-	-
Infosys Limited	1,24,800	5	17,07,32,640	-	-	-
Kozak Bank Limited	1,59,600	5	27,97,78,800	-	-	-
Reliance Industries Limited	1,49,500	10	29,94,63,450	-	-	-
Hindalco Industries Limited	90,300	1	2,95,14,555	-	-	-
Tata Steel Limited	1,22,400	10	9,93,70,440	-	-	-
ITC Limited	2,78,400	1	6,08,30,400	-	-	-
Wipro Limited	1,98,400	2	8,21,67,360	-	-	-
Axis Bank Limited	4,30,800	2	30,04,61,460	-	-	-
Bharti Airtel Limited	1,35,123	5	6,98,99,128	-	-	-
Tata Consultancy Services Limited	36,000	1	11,44,02,600	-	-	-
Adani Ports and Special Economic Zone Limited	1,50,000	2	10,53,60,000	-	-	-
RBL Bank Limited	6,06,100	10	12,57,96,056	-	-	-
			<u>1,74,52,86,906</u>			<u>1,45,40,700</u>
B Debentures and bonds (Quoted)						
10.65% EDELWEISS RURAL & CORPORATE SERVICES LIMITED 07.04.2022 BONDS	1,010	-	1,07,82,85,726	-	-	1,38,31,84,328
9.55% EDELWEISS COMMODITIES SERVICES LIMITED 06.08.2021 BONDS	400	-	43,32,76,066	-	-	-
			<u>1,51,15,61,792</u>			<u>1,38,31,84,328</u>
C Mutual funds (unquoted)						
Birla Sun Life Cash Direct Plan - Growth	7,61,477.72	-	25,24,54,840	-	-	-
			<u>25,24,54,840</u>			-
			<u>3,50,93,09,538</u>			<u>1,39,77,25,028</u>
Total Stock in trade (A+B+C)						



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

11

Trade receivables:

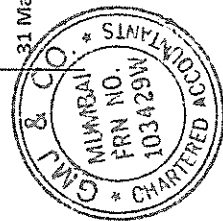
Particulars	31 March 2021	31 March 2020
Receivables considered good - Unsecured	2,39,892	6,16,680
Receivables considered good - Unsecured - Group	7,47,46,177	2,07,591
Receivables - Credit impaired	21,460	75,715
	7,50,07,529	8,99,986
Less : Allowance for expected credit losses	21,460	75,715
	7,49,86,069	8,24,271

Reconciliation of impairment allowance on trade receivables:

Particulars	INR
Impairment allowance measured as per simplified approach	
Impairment allowance as on 31 March 2020	75,715
Add/ (less): asset originated or acquired (net)	-54,255
Impairment allowance as on 31 March 2021	21,460

Provision matrix for Trade receivables

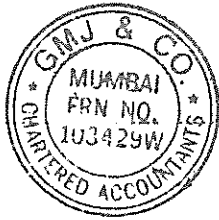
ECL rate	Trade receivables days past due	Current	1-90days	91-180 cays	181-360 days	more than 360 days	Total
	ECL Rate	0.00%	0.00%	0.00%	0.00%	100.00%	
	Estimated total gross carrying amount at default	-	7,49,86,069	-	-	21,460	7,50,07,529
31 March 2021	ECL - Simplified approach	-	-	-	-	-21,460	-21,460
	Net carrying amount	-	7,49,86,069	-	-	-	7,49,86,069
	ECL Rate	0.00%	0.00%	100.00%	100.00%	100.00%	
	Estimated total gross carrying amount at default	2,08,526	6,15,745	60,180	402	15,133	8,99,986
31 March 2020	ECL - Simplified approach	-	-	-60,180	-402	-15,133	-75,715
	Net carrying amount	2,08,526	6,15,745	-	-	-	8,24,271



Edelcap Securities 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
Unsecured - Group	70,08,564	44,79,87,626
Unsecured	-	-
Total Gross	70,08,564	44,79,87,626
Less: Impairment loss allowance	-	-13,449
Total (Net)	70,08,564	44,79,74,177
Loans in India		
Public Sectors	-	-
Others	70,08,564	44,79,87,626
Total Gross	70,08,564	44,79,87,626
Less: Impairment loss allowance	-	-13,449
Total (Net)	70,08,564	44,79,74,177



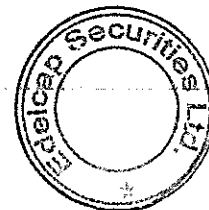
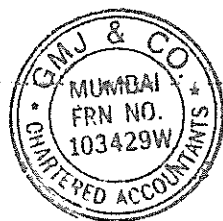
Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

13 Investments

Particulars	31 March 2021				31 March 2020			
	At fair value through P&L	At amortised cost	At cost (subsidiaries, associates, and joint ventures)	Total	At fair value through P&L	At amortised cost	At cost (subsidiaries, associates, and joint ventures)	Total
Investments in subsidiaries								
Equity	-		2,38,43,89,975	2,38,43,89,975	-		2,38,43,89,975	2,38,43,89,975
Investments in associate companies								
Equity	-		22,18,55,256	22,18,55,256	-		22,18,55,256	22,18,55,256
Preference shares (convertible)	-		12,38,82,000	12,38,82,000	-		12,38,82,000	12,38,82,000
Investments in equity instruments of other companies	-		-	-	5,79,190		-	5,79,190
Investments in Debt securities of other companies	-	38,66,667	-	38,66,667		38,66,667	-	38,66,667
Investments in units of fund								
Units of AIF	-	-	-	-	50,000	-	-	50,000
TOTAL - Gross (A)	-	38,66,667	2,73,01,27,231	2,73,39,93,898	6,29,190	38,66,667	2,73,01,27,231	2,73,46,23,088
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investment in India	-	38,66,667	2,73,01,27,231	2,73,39,93,898	6,29,190	38,66,667	2,73,01,27,231	2,73,46,23,088
Total (B)	-	38,66,667	2,73,01,27,231	2,73,39,93,898	6,29,190	38,66,667	2,73,01,27,231	2,73,46,23,088
Less: Allowance for impairment (C)	-	-	-	-	-	-	-	-
Total Net (A-C)	-	38,66,667	2,73,01,27,231	2,73,39,93,898	6,29,190	38,66,667	2,73,01,27,231	2,73,46,23,088

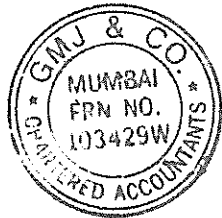


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021			As at 31 March 2020		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
13 Investments						
Investments in equity instruments of subsidiaries (fully paid up)						
Carried at Cost						
Edelweiss Retail Finance Limited	10	3,02,58,333	2,38,43,89,975	10	3,02,58,333	2,38,43,89,975
Investments in equity instruments of associate companies (fully paid up)						
Carried at Cost						
Edelweiss Asset Reconstruction Company Limited	10	1,05,64,536	22,18,55,256	10	1,05,64,536	22,18,55,256
Investments in equity instruments of other companies (fully paid up)						
Quoted						
Carried at Fair Value through profit and loss						
Empee Distilleries Limited	10	2,27,133	-	10	2,27,133	5,79,190
Investments in Warrants						
Unquoted						
Carried at Cost						
ALLIUM FINANCE PRIVATE LIMITED	10	9,91,056	12,38,82,000	10	9,91,056	12,38,82,000
Investments in units of fund (unquoted)						
Carried at Fair Value through profit and loss						
Edelweiss Real Estate Opportunities Fund	-	-	-	-	-	10,000
Edelweiss India Real Estate Fund	-	-	-	-	-	10,000
EC Special Situations Fund	-	-	-	-	-	10,000
Edelweiss India Special Situations Fund	-	-	-	-	-	10,000
Edelweiss Infrastructure Yield Plus Fund	-	-	-	-	-	10,000
Carried at Cost						
W. S. Industries (India) Limited	8,00,000	58	38,66,667	8,00,000	58	38,66,667
			2,73,39,93,898			2,73,46,23,088



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

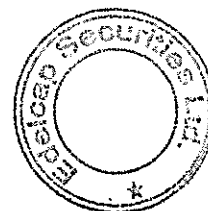
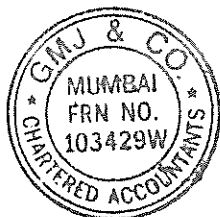
13 (a) Investments measured at amortised cost

The table below shows the gross carrying amount of the Group's investments measured at amortised cost by credit risk, based on the Group's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances. Details of the Group's internal grading system and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note

Particulars	31-Mar-21	31-Mar-20
	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)
High grade	38,66,667	38,66,667
Standard grade	-	-
Individually impaired	-	-
Total	38,66,667	38,66,667

Reconciliation of gross carrying amount for investments measured at amortised cost

Particulars	31-Mar-21	31-Mar-20
	Gross carrying amount (Stage 1)	Gross carrying amount (Stage 1)
Gross carrying amount - opening balance	38,66,667	38,66,667
New assets originated or purchased	-	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	-	-
Changes to contractual cash flows due to modifications not resulting in derecognition	-	-
Amounts written off	-	-
Transfer to Stage 1	-	-
Transfer to Stage 2	-	-
Transfer to Stage 3	-	-
Gross carrying amount - closing balance	38,66,667	38,66,667

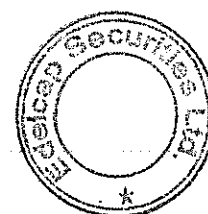
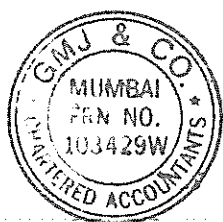


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021	As at 31 March 2020
14 Other financial assets		
(Unsecured, considered good)		
Deposits placed with/exchange/depositories	4,25,000	4,25,000
Deposits- others	2,53,458	2,00,458
Accrued interest on margin	-	59,31,084
Advance to Employees	3,11,029	-
Margin placed with broker	1,02,07,231	-
Dividend receivable	-	16,500
Advances recoverable in cash or in kind or for value to be received (financial assets)	<u>12,01,351</u>	<u>72,90,654</u>
	<u>1,23,98,067</u>	<u>1,38,63,696</u>
15 Current tax assets (net)		
Advance income taxes	<u>4,14,10,904</u>	<u>3,52,65,360</u>
	<u>4,14,10,904</u>	<u>3,52,65,360</u>
16 Deferred tax assets (net)		
Deferred tax assets		
Provision for non-performing, restructured and doubtful advances	5,401	23,623
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	3,94,073	8,57,017
<u>Investments and other financial instruments</u>		
Unrealised loss on Derivatives	42,57,457	10,10,26,010
Fair valuation of investments and stock-in-trade	-	1,26,45,488
<u>Employee benefit obligations</u>		
Provision for leave accumulation	7,17,108	11,69,309
Disallowances under section 43B of the Income Tax Act, 1961	2,49,97,534	70,44,792
<u>Unused tax credit</u>		
MAT credit entitlement (current)	-	3,64,62,762
<u>Unused tax losses</u>		
Accumulated Losses	<u>23,31,91,320</u>	<u>19,18,35,686</u>
	<u>26,35,62,893</u>	<u>35,10,64,687</u>
Deferred tax liabilities		
<u>Investments and other financial instruments</u>		
Fair valuation of investments and stock-in-trade	<u>31,46,074</u>	-
	<u>31,46,074</u>	-
	<u>26,04,16,819</u>	<u>35,10,64,687</u>



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

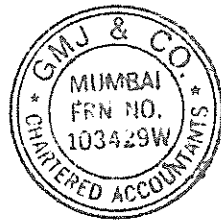
16.1 Income tax disclosure:

(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
Adjustment in respect of current income tax of prior years	6,10,731	36,76,867
Deferred tax relating to origination and reversal of temporary differences	32,58,34,759	-13,61,86,445
Deferred tax recognised on unused tax credit or unused tax losses	-23,31,91,320	-19,18,35,686
Total tax charge	9,32,54,170	-32,43,45,264
Current tax	6,10,731	36,76,867
Deferred tax	9,26,43,439	-32,80,22,131

(b) Reconciliation of total tax charge

Particulars	31 March 2021	31 March 2020
Accounting profit before tax as per financial statements	-48,34,62,670	-1,17,13,11,541
Tax rate (in percentage)	25.17%	31.20%
Income tax expense calculated based on this tax rate	-12,16,87,554	-36,54,49,201
Adjustment in respect of current income tax of prior years	6,10,731	36,76,867
Effect of income not subject to tax:	-	-
Others - dividend	-	5,09,175
Others	-	-5,09,175
Penalties	-	48,769
Others - Interest expenses on preference share- Group	12,87,66,387	7,25,22,473
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	-1,03,67,332	-2,92,47,542
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	-	7,19,754
Write-down of Minimum Alternate Tax credit which is not considered recoverable	3,64,62,762	-
Impact of tax rate changes	6,08,02,872	-
Others	-13,33,696	-51,76,876
Tax charge for the year recorded in P&L	9,32,54,170	-32,43,45,264



Edelcap Securities Limited

Notes to the financial statements (Continued)

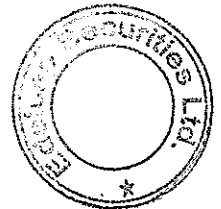
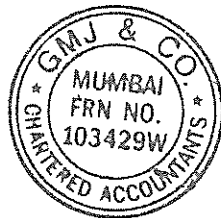
(Currency : Indian rupees)

16.1 Income tax disclosure:

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

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2020-21)			Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Total movement	
Deferred taxes in relation to:					
Property, Plant and Equipment	8,57,017	-4,62,944	-	-4,62,944	3,94,073
Other investments (equity instruments)	43,92,952	-	-	-	43,92,952
Stock-in-trade	82,52,537	-1,57,91,562	-	-1,57,91,562	-75,39,025
Trade receivable	23,623	-18,222	-	-18,222	5,401
Employee benefits obligations	82,14,100	1,55,04,970	19,95,571	1,75,00,541	2,57,14,641
Fair valuation of derivatives	10,10,26,010	-9,67,68,553	-	-9,67,68,553	42,57,457
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	19,18,35,686	4,13,55,634	-	4,13,55,634	23,31,91,320
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	3,64,62,762	-3,64,62,762	-	-3,64,62,762	-
Total	35,10,64,687	-9,26,43,439	19,95,571	-9,06,47,868	26,04,16,819

	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 profit or loss	Recognised in other comprehensive income	Total movement	
Deferred taxes in relation to:					
Property, Plant and Equipment	9,47,599	-90,582	-	-90,582	8,57,017
Other investments (equity instruments)	40,77,601	3,15,351	-	3,15,351	43,92,952
Stock-in-trade	-78,97,598	1,61,50,135	-	1,61,50,135	82,52,537
Other investments (AIF funds)	-2,10,52,910	2,10,52,910	-	2,10,52,910	-
Other investments (AIF funds) - Group	-3,54,938	3,54,938	-	3,54,938	-
Trade receivable	7,55,408	-7,31,785	-	-7,31,785	23,623
Employee benefits obligations	44,63,757	35,84,359	1,65,984	37,50,343	82,14,100
Fair valuation of derivatives	1,34,70,521	8,75,55,489	-	8,75,55,489	10,10,26,010
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	-	19,18,35,686	-	19,18,35,686	19,18,35,686
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	3,57,43,008	7,19,754	-	7,19,754	3,64,62,762
Others	-72,75,876	72,75,876	-	72,75,876	-
Total	2,28,76,571	32,80,22,132	1,65,984	32,81,88,116	35,10,64,687



Edelcap Securities Limited

Notes to the financial statements (continued)

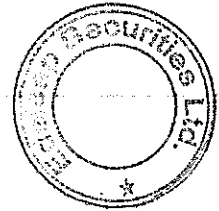
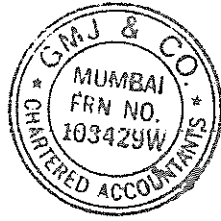
(Currency : Indian Rupees)

17 (a) Property, Plant and Equipment

Description of assets	Gross block				Depreciation				Net block
	As at 1 April 2020	Additions during the year	Disposals during the year	As at 31 Mar 2021	As at 1 April 2020	Charge for the year	Disposals during the year	As at 31 Mar 2021	As at 31 Mar 2021
Motor vehicles	11,39,646	-	-	11,39,646	8,13,514	1,20,229	-	9,33,743	2,05,903
Office equipments	14,379	-	-	14,379	12,029	1,026	-	13,055	1,324
Computers	3,43,47,855	68,84,374	5,92,139	4,06,40,090	2,00,33,010	72,82,699	4,16,182	2,68,99,528	1,37,40,562
Total : A	3,55,01,880	68,84,374	5,92,139	4,17,94,115	2,08,58,553	74,03,955	4,16,182	2,78,46,326	1,39,47,789

(b) Other Intangible Assets

Description of assets	Gross block				Depreciation				Net block
	As at 1 April 2020	Additions during the year	Disposals during the year	As at 31 Mar 2021	As at 1 April 2020	Charge for the year	Disposals during the year	As at 31 Mar 2021	As at 31 Mar 2021
Computer software	24,07,275	-	-	24,07,275	21,61,556	1,92,497	-	23,54,053	53,222
Total : B	24,07,275	-	-	24,07,275	21,61,556	1,92,497	-	23,54,053	53,222



Edelcap Securities Limited

Notes to the financial statements (continued)

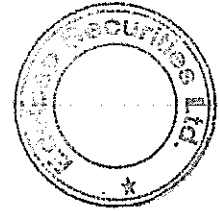
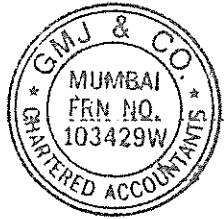
(Currency : Indian Rupees)

17 (a) Property, Plant and Equipment

Description of assets	Gross block				Depreciation				Net block
	As at 1 April 2019	Additions during the year	Disposals during the year	As at 31 Mar 2020	As at 1 April 2019	Charge for the year	Disposals during the year	As at 31 Mar 2020	As at 31 Mar 2020
Motor vehicles	16,11,229	-	4,71,583	11,39,646	8,92,520	2,05,579	2,84,585	8,13,514	3,26,132
Office equipments	14,379	-	-	14,379	10,084	1,945	-	12,029	2,350
Computers	2,09,38,501	1,39,94,862	5,85,508	3,43,47,855	1,32,49,750	72,53,607	4,70,347	2,00,33,010	1,43,14,845
Total : A	2,25,64,109	1,39,94,862	10,57,091	3,55,01,880	1,41,52,354	74,61,131	7,54,932	2,08,58,553	1,46,43,327

(b) Other Intangible Assets

Description of assets	Gross block				Depreciation				Net block
	As at 1 April 2019	Additions during the year	Disposals during the year	As at 31 Mar 2020	As at 1 April 2019	Charge for the year	Disposals during the year	As at 31 Mar 2020	As at 31 Mar 2020
Computer software	23,82,393	24,882	-	24,07,275	14,15,957	7,45,599	-	21,61,556	2,45,719
Total : B	23,82,393	24,882	-	24,07,275	14,15,957	7,45,599	-	21,61,556	2,45,719



Edelcap Securities Limited

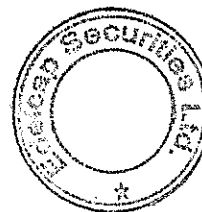
Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021	As at 31 March 2020
18 Other non-financial assets (Unsecured, considered good)		
Input tax credit	5,40,488	3,70,21,137
Prepaid expenses	64,73,096	7,22,692
Vendor advances	2,37,452	1,64,503
Advances recoverable in cash or in kind or for value to be received (non-financial assets)	10,318	2,45,942
	<u>72,61,354</u>	<u>3,81,54,274</u>
19 Trade payables		
Trade payables from related parties	63,80,920	2,17,41,897
Trade payables - Others	67,29,939	1,19,36,326
	<u>1,31,10,859</u>	<u>3,36,78,223</u>

19.1 Details of dues to micro and small enterprises

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



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

20 Borrowings (other than debt securities)- at amortised cost

	31 March 2021	31 March 2020
Unsecured, considered good Loans repayable on demand*		
From related parties	2,38,41,90,375	-
Total - Gross	2,38,41,90,375	-
(i) Borrowings outside India	-	-
(ii) Borrowings in India	2,38,41,90,375	-
	2,38,41,90,375	-

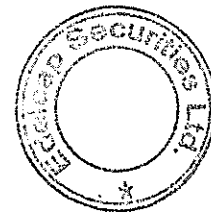
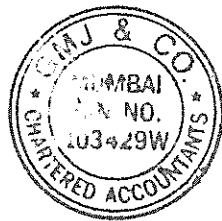
*(at interest rate of) 10.80% to 14.70%

21 Subordinated liabilities -at amortised cost

Particulars	31 March 2021	31 March 2020
Preference shares capital	4,37,62,50,000	3,86,46,63,242
Total - Gross	4,37,62,50,000	3,86,46,63,242
(i) Borrowings outside India	-	-
(ii) Borrowings in India	4,37,62,50,000	3,86,46,63,242
Total	4,37,62,50,000	3,86,46,63,242

22 Other financial liabilities

Other payables	25,57,957	37,69,321
Accrued salaries and benefits	53,32,84,060	5,05,501
Payable to exchange / clearing house (net)	-	5,58,636
	<u>53,58,42,017</u>	<u>48,33,458</u>

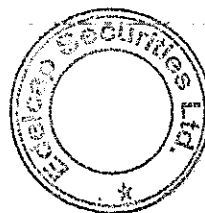
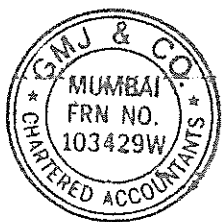


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021	As at 31 March 2020
23 Current tax liabilities (net)		
Provision for taxation	<u>56,48,643</u>	<u>32,15,372</u>
	<u>56,48,643</u>	<u>32,15,372</u>
24 Provisions		
Provision for employee benefits		
Gratuity	3,65,81,810	2,25,79,463
Compensated leave absences	<u>37,53,285</u>	<u>37,47,784</u>
	<u>4,03,35,095</u>	<u>2,63,27,247</u>
25 Other non-financial liabilities		
Income received in advance	-	4,18,303
Withholding taxes, goods and service tax and other taxes payable	1,61,40,045	1,65,25,400
Others	<u>9,38,241</u>	<u>7,38,783</u>
	<u>1,70,78,286</u>	<u>1,76,82,486</u>



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021	As at 31 March 2020
26 Equity share capital		
Authorised :		
500,000 (Previous year: 500,000) equity shares of Rs. 10 each	50,00,000	50,00,000
49,500,000 (Previous year: 49,500,000) preference shares of Rs. 10 each	49,50,00,000	49,50,00,000
	<u>50,00,00,000</u>	<u>50,00,00,000</u>
Issued, Subscribed and Paid up:		
300,000 (Previous year: 300,000) equity shares of Rs. 10 each	30,00,000	30,00,000
	<u>30,00,000</u>	<u>30,00,000</u>

Movement in share capital :

	31 March 2021		31 March 2020	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	3,00,000	30,00,000	3,00,000	30,00,000
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>3,00,000</u>	<u>30,00,000</u>	<u>3,00,000</u>	<u>30,00,000</u>

b. Terms/rights attached to equity shares :

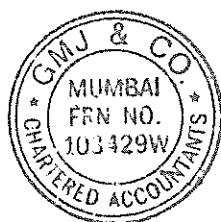
The Company has only one class of equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of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

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

	As at 31 March 2021		As at 31 March 2020	
	No of shares	%	No of shares	%
Holding company				
Ecap Equities Limited, the holding company and its nominees	3,00,000	100	3,00,000	100
	<u>3,00,000</u>	<u>100</u>	<u>3,00,000</u>	<u>100</u>

27 Other Equity

Deemed capital contribution - ESOP	36,05,120	36,05,120
Add : Additions during the year	-	-
	36,05,120	36,05,120
Opening balance	1,09,54,58,222	1,42,97,98,810
Add: (Loss) for the year	-57,67,16,840	-84,69,66,277
Add:- Transactions with shareholders in their capacity as such	-	51,29,91,705
Add: Other comprehensive income for the year	-59,33,429	-3,66,016
Amount available for appropriation	<u>51,28,07,953</u>	<u>1,09,54,58,222</u>
Appropriations:	-	-
	<u>51,64,13,073</u>	<u>1,09,90,63,342</u>

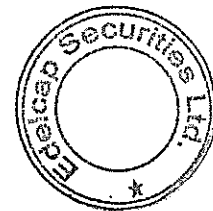
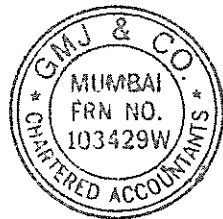


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations		
28 Interest Income		
On financial assets measured at amortised cost		
Interest income on loan (from related parties)	2,16,57,111	31,41,888
Interest income on fixed deposits	4,27,789	5,04,534
On margin with brokers	95,67,768	11,24,59,585
On financial assets classified at fair value through profit or loss		
Interest income from stock in trade	23,55,84,262	18,05,665
	<u>26,72,36,930</u>	<u>11,79,11,672</u>
29 Dividend income		
Dividend on stock in trade	98,63,383	16,31,970
	<u>98,63,383</u>	<u>16,31,970</u>
30 Fee income		
Income from securities broking	-	88,590
Advisory and other fees	6,03,804	17,82,672
	<u>6,03,804</u>	<u>18,71,262</u>
30.1 Particulars		
Service transferred at a point in time	6,03,804	18,71,262
Service transferred over time	-	-
Total revenue from contract with customers	<u>6,03,804</u>	<u>18,71,262</u>
31 Net gain on fair value changes		
Net gain on fair value changes		
On trading portfolio		
Investments		
Profit / (loss) on trading of securities (net)	(1,15,17,04,793)	3,28,78,256
Profit on sale of EROF fund	-	2,72,38,188
Income distribution from Fund	-	6,29,12,168
Fair value gain - P&L - equity	2,65,57,269	-9,07,96,497
Profit / (loss) on equity derivative instruments (net)	2,31,31,98,865	-23,88,25,453
Profit on trading in currency derivative instruments (net)	16,79,83,782	1,51,04,862
Profit on interest rate derivative instruments (net)	(64,06,667)	-20,33,60,621
	<u>1,34,96,28,456</u>	<u>-39,48,49,097</u>
Fair value changes:		
- Realised	1,36,11,46,236	1,69,35,111
- Unrealised	(1,15,17,780)	(41,17,84,208)
Total net gain/loss on fair value changes	<u>1,34,96,28,456</u>	<u>(39,48,49,097)</u>
32 Other income		
Profit on sale of fixed assets (net)	10,220	1,67,329
Foreign exchange gain	30,863	-
Interest income on income tax refund	2,44,824	3,87,968
Miscellaneous income	4,67,494	9,09,068
	<u>7,53,401</u>	<u>14,64,365</u>



Edelcap Securities Limited

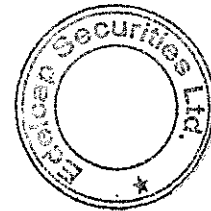
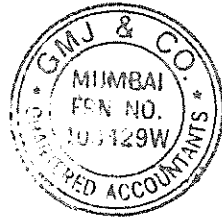
Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
33 Finance costs		
On Financial liabilities measured at amortised cost		
Interest on loan (from related parties)	21,34,13,497	21,72,29,787
Interest / dividend on preference shares	51,15,86,758	23,24,43,822
Financial and bank charges	41,233	68,446
Interest on SLBM Trading	83,76,140	1,28,227
Interest - others	7,624	5,020
	<u>73,34,25,252</u>	<u>44,98,75,302</u>
34 Impairment on financial instruments		
On trade receivables	21,460	1,03,251
On loans	-	13,449
	<u>21,460</u>	<u>1,16,700</u>
35 Employee benefit expenses		
Salaries and wages	91,49,08,854	24,70,98,908
Contribution to provident and other funds	1,21,87,090	93,89,699
Expense on employee stock option scheme (ESOP)	9,77,294	8,86,870
Expense on Employee Stock Appreciation Rights	16,02,257	10,66,797
Staff welfare expenses	52,01,353	51,11,232
	<u>93,48,76,848</u>	<u>26,35,53,506</u>

35.1 Employee stock option plans

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

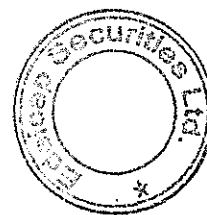
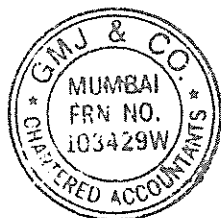


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
36 Other expenses		
Advertisement and business promotion	-	1,29,166
Auditors' remuneration (<i>refer note below</i>)	10,00,000	9,65,581
Commission and brokerage	86,15,230	2,74,418
Communication	48,25,707	44,93,106
Computer expenses	60,85,964	72,28,989
Computer software	1,25,20,088	55,56,845
Clearing and custodian charges	10,84,21,699	3,63,63,939
Dematerialisation charges	86,013	76,680
Foreign exchange loss (net)	-	49,664
Insurance	1,92,341	51,545
Legal and professional fees	45,14,519	40,86,944
Membership and subscription	63,93,603	1,20,20,840
Office expenses	3,88,07,614	2,62,76,119
Printing and stationery	4,39,231	3,38,279
Rates and taxes	15,106	15,233
Rent	3,84,07,350	3,61,05,817
Repairs and maintenance	1,10,074	39,025
ROC expenses	-	6,224
Securities transaction tax	6,82,18,842	2,81,82,292
Seminar and conference	18,292	2,23,145
Goods and service tax expenses	7,68,54,762	17,01,779
Stamp duty	60,96,043	63,464
Stock exchange expenses	4,76,86,561	42,80,286
Travelling and conveyance	43,86,232	68,50,728
Miscellaneous expenses	24,889	48,556
Housekeeping and security charges	18,68,473	21,60,811
	<u>43,56,28,633</u>	<u>17,75,89,475</u>
36.1 Auditors' remuneration:		
As auditors	10,00,000	9,65,581
Others	-	-
	<u>10,00,000</u>	<u>9,65,581</u>



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

36 Other expenses (continued)

36.2 Foreign currency transaction

The Company has incurred an amount of Rs.4,790,737 /- (Previous year: Rs. 2,176,470) in foreign currency towards market data service. Earning in foreign exchange Nil (Previous year: Nil).

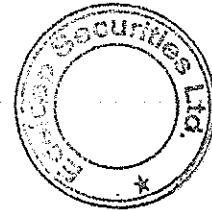
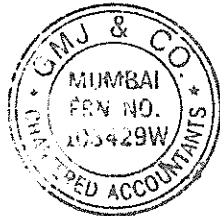
36.3 Cost sharing

Edelweiss Financial Services Limited, being the ultimate holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, actual identifications, etc. Accordingly, and as identified by the management, the expenditure heads in note 36 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

36.4 Corporate social responsibility (CSR)

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

- (a) The Company is not required to spend any amount during the year.



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

37 Segment Reporting

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

Segment	Activities covered
Capital based business	Interest income on loans and other capital based activities
Agency business	Broking, advisory and product distribution services
Treasury	Income from treasury operations, income from investments, interest income on debt instruments and dividend income

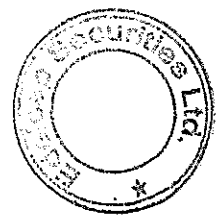
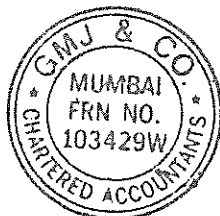
Income for each segment has been specifically identified. Expenditures, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic/reasonable basis.

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

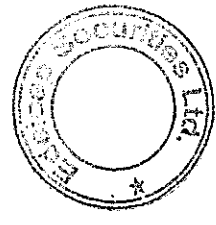
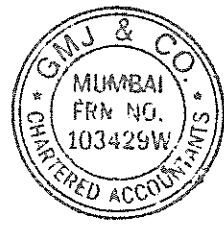
Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

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

Particulars		For the year ended 31 March 2021	For the year ended 31 March 2020
I	Segment revenue		
	a) Capital based business	2,16,63,879	1,47,19,798
	b) Agency business	6,03,993	18,78,628
	c) Treasury	1,60,55,73,278	-28,89,56,222
	d) Unallocated	2,44,824	3,87,968
	Total	1,62,80,85,974	-27,19,69,828
	Less : Inter segment revenue	-	-
	Total income	1,62,80,85,974	-27,19,69,828
II	Segment results		
	a) Capital based business	-50,49,11,328	-23,79,93,928
	b) Agency business	1,64,652	-10,99,456
	c) Treasury	2,10,39,181	-93,26,06,125
	d) Unallocated	2,44,824	3,87,968
	Total	-48,34,62,670	-1,17,13,11,541
	Less : Provision for taxation	9,32,54,170	-32,43,45,264
	(Loss)/Profit after taxation	-57,67,16,840	-84,69,66,277
III	Segment assets		
	a) Capital based business	2,73,74,84,583	3,17,90,40,523
	b) Agency business	8,248	4,64,521
	c) Treasury	4,84,21,24,324	1,43,94,44,093
	d) Unallocated	31,22,51,188	43,35,14,233
	Total	7,89,18,68,343	5,05,24,63,370
IV	Segment Liabilities		
	a) Capital based business	4,38,41,04,937	3,86,81,49,693
	b) Agency business	2,18,997	8,63,265
	c) Treasury	2,96,63,42,648	6,16,46,298
	d) Unallocated	2,17,88,688	1,97,40,772
	Total	7,37,24,55,270	3,95,04,00,028
V	Capital Expenditure		
	a) Capital based business	78,201	7,51,767
	b) Agency business	2,180	95,945
	c) Treasury	57,95,672	1,31,72,032
	d) Unallocated	-	-
	Total	58,76,053	1,40,19,744
VI	Depreciation and Amortisation		
	a) Capital based business	1,01,096	4,40,061
	b) Agency business	2,819	56,163
	c) Treasury	74,92,536	77,10,506
	d) Unallocated	-	-
	Total	75,96,451	82,06,730
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	86,990	3,50,974
	b) Agency business	23,885	1,61,493



c) Treasury	64,47,086	61,49,564
d) Unallocated	-	-
Total	65,57,961	66,62,031



Edelcap Securities Limited

Notes to the financial statements (continued)

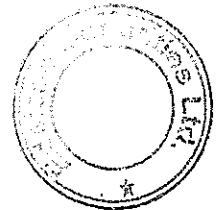
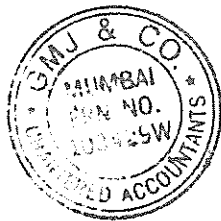
(Currency: Indian Rupees)

38 Related Parties disclosure in accordance with Ind AS 24:

In accordance with Indian Accounting Standard 24 on Related party transactions notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

i. List of related parties and relationship:

Name of related parties by whom control is exercised	Edelweiss Financial Services Limited (Ultimate holding company) ECap Equities Limited (Holding company)
Name of related parties over whom control is exercised	Edelweiss Retail Finance Limited
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) ECL Finance Limited Edelweiss Securities Limited Edelweiss Comtrade Limited Edelweiss Broking Limited Edelweiss Tokio Life Insurance Company Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Management Limited Edelweiss Finvest Private Limited EC Commodity Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Custodial Services Limited Edelweiss Finance & Investment Limited EC Global Limited Edelweiss Investments Advisors Limited Edel Land Limited Edelweiss Housing Finance Limited Edelweiss Retail Finance Limited Edel Investments Limited Edel Finance Company Limited Allium Finance Private Limited Edelweiss General Insurance company Limited EW Clover Scheme
Key Management Personnel (with whom transactions have taken place)	Piyush Chamria (Resigned with effect from 30 March 2021) Rituparna Barman Roy



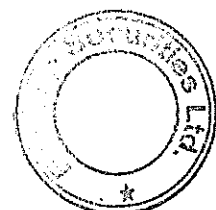
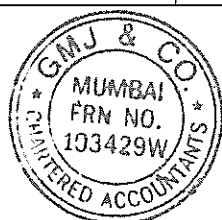
Edelcap Securities Limited

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 March 31, 2021	For the year ended March 31, 2020
	Capital account transactions during the year			
1	Short term loans taken from (Max. Debit / Credit)	ECap Equities Limited	1,61,70,00,000	2,50,00,00,000
		Edelweiss Rural & Corporate Services Limited	-	16,49,96,260
		Edelweiss Retail Finance Limited	2,41,00,00,000	-
2	Short term loans taken from (Total Transaction)	ECap Equities Limited	44,13,86,56,671	21,50,23,61,956
		Edelweiss Rural & Corporate Services Limited	-	16,59,84,028
		Edelweiss Retail Finance Limited	2,61,00,00,000	-
3	Short term loans repaid to (Max/ Debit / Credit)	ECap Equities Limited	3,16,83,00,000	1,76,02,00,000
		Edelweiss Rural & Corporate Services Limited	-	12,28,97,657
		Edelweiss Retail Finance Limited	1,37,02,00,000	-
4	Short term loans repaid to (Total transaction)	ECap Equities Limited	41,76,62,10,717	24,92,89,96,082
		Edelweiss Rural & Corporate Services Limited	-	16,64,97,657
		Edelweiss Retail Finance Limited	2,61,00,00,000	-
5	Short term loans given to (Max Debit / Credit)	ECap Equities Limited	1,06,63,18,033	2,88,14,00,000
6	Short term loans given to (Total transaction)	ECap Equities Limited	5,66,90,49,032	3,61,05,90,991
7	Short term loans repaid by (Max. Debit / Credit)	ECap Equities Limited	1,57,22,03,139	1,81,33,13,000
8	Short term loans repaid by (Total Transaction)	ECap Equities Limited	6,11,42,08,959	3,16,54,31,064
9	Margins placed with broker (Max. debit / Credit)	Edelweiss Securities Limited	-	-8,35,261
		Edelweiss Custodial Services Limited	85,40,65,430	1,41,53,43,479
10	Margins withdrawn from broker (Max. debit / Credit)	Edelweiss Securities Limited	-	19,66,36,425
		Edelweiss Custodial Services Limited	98,41,39,201	3,42,93,02,331
11	Margin placed with broker (Total Debit)	Edelweiss Securities Limited	-	3,74,62,594
		Edelweiss Custodial Services Limited	32,32,05,95,530	15,14,80,34,575
12	Margin withdrawn from broker (Total credit)	Edelweiss Securities Limited	-	23,32,67,190
		Edelweiss Custodial Services Limited	32,19,05,21,758	16,91,03,70,263
13	Sale of Investments - Edelweiss Real Estate Opportunities Fund	Edelweiss Finvest Private Limited	-	16,09,88,188
14	Redemption of investment	FW Clover Scheme	-	25,00,00,000
15	Redemption of Preference share capital	Ecap Equities Limited	4,37,62,50,000	48,62,00,000
		Edelweiss Broking Limited	-	50,000
16	Issue of preference share capital	Ecap Equities Limited	4,37,62,50,000	3,86,46,63,242



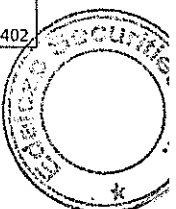
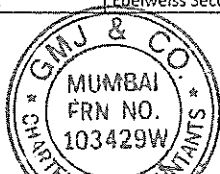
Edelcap Securities Limited

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 March 31, 2021	For the year ended March 31, 2020
	Current account transactions during the year			
17	Brokerage earned from	Edelweiss Securities Limited	-	88,590
18	Interest income on margin placed with	Edelweiss Securities Limited	-	24,59,566
		Edelweiss Custodial Services Limited	95,67,768	11,00,00,019
19	Interest income on group loan	ECap Equities Limited	2,16,57,111	31,41,888
20	Interest expense on loan from	ECap Equities Limited	12,74,16,614	20,48,07,281
		Edelweiss Rural & Corporate Services Limited	-	1,24,22,506
		Edelweiss Retail Finance Limited	8,59,96,883	-
21	Interest income on Debt instruments	Edelweiss Rural & Corporate Services Limited	23,55,84,262	18,05,665
22	Interest expense on preference share capital	ECap Equities Limited	51,15,86,758	23,24,38,839
		Edelweiss Broking Limited	-	4,983
23	Reimbursements paid	Edelweiss Rural and Corporate Services Limited	-	5,850
24	Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	7,15,24,439	5,41,88,258
		Edelweiss Financial Services Limited	53,54,519	63,65,172
		Edel Land Limited	-	69,513
		Edelweiss Housing Finance Limited	-	2,948
		Edelweiss Broking Limited	11,299	-
		Edelweiss Alternative Asset Advisors Limited	17,47,983	18,52,619
		ECL Finance Limited	19,571	-
		Edelweiss Custodial Services Limited	6,62,937	25,115
		ECap Equities Limited	9,08,053	7,48,340
		Edelweiss Securities Limited	38,34,831	3,90,987
		Edelweiss General Insurance company Limited	22,61,607	-
25	Cost reimbursements received from	ECap Equities Limited	-	2,131
		Edelweiss Financial Services Limited	-	1,016
		Edelweiss Rural & Corporate Services Limited	30,28,000	17,60,396
		Edelweiss Securities Limited	-	8,20,704
26	ESOP and SAR expense paid to	Edelweiss Financial Services Limited	25,79,551	-
27	Sale of Fixed Asset to	ECap Equities Limited	-	10,327
		Edel Investments Limited	12,541	68,275
		Edelweiss Rural & Corporate Services Limited	48,520	903
		ECL Finance Limited	1,07,452	-
		Edelweiss Finance and Investment Limited	7,256	40,931
		Piyush Chamria	-	3,49,050
		Edelweiss Asset Management Limited	3,528	-
		Edelweiss Custodial Services Limited	6,880	-
28	Purchase of Fixed Asset from	ECap Equities Limited	48,549	5,822
		ECL Finance Limited	15,61,703	37,762
		Edelweiss Alternative Asset Advisors Limited	-	269
		Edelweiss Broking Limited	1,517	84,647
		Edelweiss Financial Services Limited	2,121	38,560
		Edelweiss Rural & Corporate Services Limited	37,268	41,482
		Edelweiss Securities Limited	67,823	8,538
		Edelweiss Finance and Investment Limited	9,513	-
29	Clearing charges, Demat and Trade exposure charges paid to	Edelweiss Custodial Services Limited	9,39,87,437	3,09,93,916
30	Brokerage paid to	Edelweiss Securities Limited	2,48,39,322	1,17,62,908
31	Amt paid to broker for Cash segment	Edelweiss Securities Limited	51,81,47,46,863	5,23,35,33,402



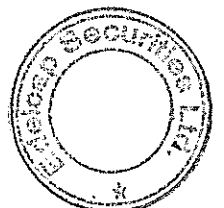
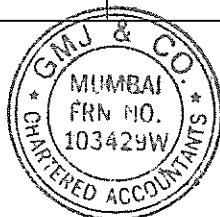
Edelcap Securities Limited

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 March 31, 2021	For the year ended March 31, 2020
32	Amt received from broker for Cash segment	Edelweiss Securities Limited	48,88,98,43,518	5,42,26,88,324
33	Sale of Debt securities	Edelwies Rural & Corporate Services Limited	32,56,95,144	-
		Edel Land Limited	1,90,01,10,628	-
		EC Commodity Limited	33,53,24,637	-
		ECap Equities Limited	3,82,34,65,657	-
34	Purchase of Debt Securities	Ecap Equities Limited	1,76,39,29,013	1,35,00,00,000
		Edel Land Limited	3,28,25,57,890	-
		EC Commodity Limited	44,51,44,233	-
		Edelweiss Finvest Limited	56,39,31,916	-
35	Remuneration paid to	Piyush Chamria	67,97,487	79,66,176
		Rituparna Barman Roy	74,91,350	-
36	Profit on sale of Investments - Edelweiss Real Estate Opportunities Fund	Edelweiss Finvest Private Limited	-	2,72,38,188
37	Income distribution from fund	EW Clover Scheme	-	6,15,13,265
Balances with Related Parties				
38	Preference share capital issued to	ECap Equities Limited	4,37,62,50,000	4,37,62,50,000
39	Short term loans taken from	ECap Equities Limited	2,37,24,45,954	-
40	Short term loans given to	ECap Equities Limited	-	44,51,59,927
41	Interest receivable on loans given to	ECap Equities Limited	70,08,564	28,27,699
42	Interest payable on loans taken from	Edelweiss Retail Finance Limited	44,82,243	-
		ECap Equities Limited	72,62,178	-
43	Trade payables to	ECap Equities Limited	63,636	485
		Edelweiss Alternative Asset Advisors Limited	1,57,323	1,61,702
		Edelweiss Financial Services Limited	3,78,566	44,44,322
		Edelweiss Housing Finance Limited	-	3,183
		Edelweiss Rural & Corporate Services Limited	51,17,457	2,06,60,880
		Edelweiss Custodial Services Limited	5,08,962	-
44	Other payable to	Edel Finance Company Ltd	-	82,000
		Edelweiss Finance and Investments Limited	5,92,000	-
		Edelweiss Financial Services Limited	25,73,407	-
		ECL Finance Limited	6,444	-
45	Other Receivables from	Edel Land Limited	1,16,000	-
		Edelweiss Finance and Investments Limited	67,000	-
		Edelweiss Rural and Corporate Services Limited	-	-
		Edelweiss Alternative Asset Advisors Limited	7,96,000	-
		Edelweiss Securities Limited	1,43,000	-
		Edelweiss Securities Limited	8,12,000	-
46	Trade receivables from	ECL Finance Limited	-	-
		Edelweiss Securities Limited	7,36,01,233	6,24,798
		Edelweiss Custodial Services Limited	-	54,96,884
		Edelweiss Broking Limited	1,74,804	-
		Edelweiss General Insurance Company Limited	-	-
		Edelweiss Finance and Investments Limited	1,046	-
		Edelweiss Finance and Investments Limited	8,562	-



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

ii Transactions with related parties :

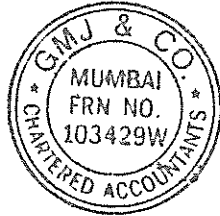
Sr. No.	Nature of transaction	Related party name	For the year ended March 31, 2021	For the year ended March 31, 2020
47	Investment in Debt securities	Edelweiss Rural and Corporate Services Limited	1,51,15,61,792	1,38,31,84,328
48	Investments in equity shares of	Edelweiss Retail Finance Limited	2,38,43,89,975	2,38,43,89,975
		Edelweiss Asset Reconstruction Company Limited	22,18,55,256	22,18,55,256
49	Investment in preference shares of	Allium Finance Private Limited	12,38,82,000	12,38,82,000
50	Margins placed with broker	Edelweiss Securities Limited	75,715	7,48,432
		Edel Investments Limited	-1,100	-
		Edelweiss Custodial Services Limited	22,02,99,675	34,96,19,588

Note:

Note (1): Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum of debit and credit of transactions and total of debit and credit of transactions amount given/taken and placed / refund received during the reporting period.

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

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



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

39 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) (Loss) after tax	(57,67,16,840)	(84,69,66,277)
(as per statement of profit and loss)		
Less: dividend on preference share capital	-	-
Net profit for the year attributable to equity shareholders	(57,67,16,840)	(84,69,66,277)
(b) Calculation of weighted average number of equity Shares of Rs. 10 each		
Number of shares outstanding at the beginning of the year	3,00,000	3,00,000
Number of Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	3,00,000	3,00,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	3,00,000	3,00,000
(c) Basic and diluted earnings per share (in rupees) (a)/(b)	(1,922.39)	(2,823.22)

40 Contingent liabilities and capital commitments

Contingent liabilities

The Company has pending taxation matters of Rs 3,407,615/- as at balance sheet date (Previous year: Rs. 2,321,914).

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.

Capital commitments

The Company has no capital commitments at the balance sheet date (Previous year: Rs. 807,740).

41 Risk management framework:-

a) Governance framework

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

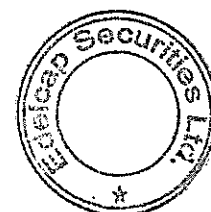
b) Approach to capital management

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

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

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

Particulars	31 March 2021	31 March 2020
Total Debt	6,76,04,40,375	3,86,46,63,242
Equity	51,94,13,073	1,10,20,63,342
Net Debt to Equity	13.02	3.51



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

42 Disclosure pursuant to Indian Accounting Standard 19 - Employee benefits

(a) Defined contribution plan (provident fund)

Amount of Rs. 11,990,341/- (Previous year: Rs. 9,312,355/-) is recognised as expenses and included in "Employee benefit" – Note 35 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	51,20,000	37,13,000
Interest on defined benefit obligation	14,11,000	11,99,000
Past service cost	-	-
Actuarial loss/(gain)	-	-
Total included in employee benefit expenses	65,31,000	49,12,000

Balance sheet

Details of provision for gratuity:

	31 March 2021	31 March 2020
Liability at the end of the year	3,65,82,000	2,25,80,000
Amount in balance sheet	3,65,82,000	2,25,80,000

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	2,25,80,000	1,16,61,000
Transfer in/(out)	13,42,000	54,75,000
Interest cost	14,11,000	11,99,000
Current service cost	51,20,000	37,13,000
Contributions	(18,00,000)	-
Past service cost	-	-
Actuarial (gain)/loss on obligations	79,29,000	5,32,000
Liability at the end of the year	3,65,82,000	2,25,80,000

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

Non-current liability at the end of the year 2,88,91,000

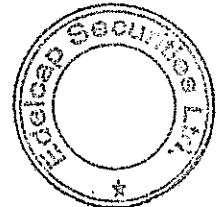
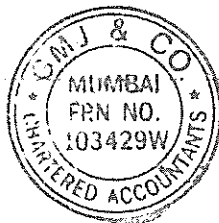
Current liability at the end of the year 76,91,000

Amount recognised in the balance sheet:

	For the year ended				
	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Liability at the end of the year	3,65,82,000	2,25,80,000	1,16,61,000	71,08,000	49,05,000
Fair value of plan assets at the end of year	-	-	-	-	-
Amount recognized in balance sheet	3,65,82,000	2,25,80,000	1,16,61,000	71,08,000	49,05,000

Experience adjustment:

	For the year ended				
	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
On plan liabilities (gain)/loss	(74,57,000)	8,96,000	8,79,000	10,01,000	(16,000)
On plan assets (gain)/loss	-	-	-	-	-
Estimated contribution for next year	-	-	-	-	-



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

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

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%
Excepted return on plan assets	5.90%	7.00%
Mortality rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)

Movement in other comprehensive income

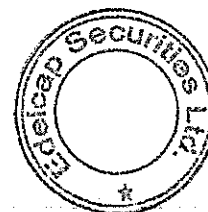
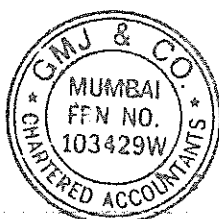
	31 March 2021	31 March 2020
Balance at start of year (Loss)/ Gain	-16,19,000	-10,87,000
Re-measurements on DBO		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	15,46,000	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	-20,18,000	-14,28,000
c. Actuarial Loss/(Gain) from experience over last past year	-74,57,000	8,96,000
Re-measurements on Plan Assets		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	-	-
Balance at end of year (Loss)/ Gain	-95,48,000	-16,19,000

Sensitivity Analysis:

DBO increases/ (decreases) by	31 March 2021	31 March 2020
1% Increase in Salary Growth Rate	15,19,000	14,46,000
1% Decrease in Salary Growth Rate	(14,63,000)	(13,18,000)
1% Increase in Discount Rate	(14,76,000)	(13,19,000)
1% Decrease in Discount Rate	15,63,000	14,77,000
1% Increase in Withdrawal Rate	(1,17,000)	(82,000)
1% Decrease in Withdrawal Rate	1,27,000	91,000
Mortality (increase in expected lifetime by 1 year)	2	1
Mortality (increase in expected lifetime by 3 years)	5	4

Movement in Surplus / (Deficit)

	31 March 2021	31 March 2020
Surplus / (Deficit) at start of year	(2,25,80,000)	(1,16,61,000)
Net (Acquisition) / Divestiture	-	-
Net Transfer (In)/ Out	(13,42,000)	(54,75,000)
Movement during the year	-	-
Current Service Cost	(51,20,000)	(37,13,000)
Past Service Cost	-	-
Net Interest on net DBO	(14,11,000)	(11,99,000)
Changes in foreign exchange rate	-	-
Re-measurements	(79,29,000)	(5,32,000)
Contributions / Benefits	18,00,000	-
Surplus / (Deficit) at end of year	(3,65,82,000)	(2,25,80,000)



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

43 Liquidity risk:

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

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

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

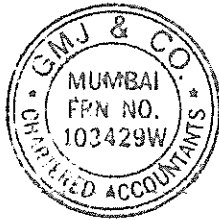
As at 31 March 2021	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	67,29,939	-	-	-	-	67,29,939
Trade payables - Group	63,80,920	-	-	-	-	63,80,920
Borrowing (other than debt securities) - Group	-	2,38,41,90,375	-	-	-	2,38,41,90,375
Subordinated financial liabilities - Group	-	4,37,62,50,000	-	-	-	4,37,62,50,000
Other financial liabilities	53,58,42,012	-	-	-	-	53,58,42,012
Total undiscounted non-derivative financial liabilities	54,89,52,871	6,76,04,40,375	-	-	-	7,30,93,93,246

As at 31 March 2020	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	1,19,36,326	-	-	-	-	1,19,36,326
Trade payables - Group	2,17,41,897	-	-	-	-	2,17,41,897
Subordinated financial liabilities - Group	-	3,86,46,63,242	-	-	-	3,86,46,63,242
Other financial liabilities	48,33,458	-	-	-	-	48,33,458
Total undiscounted non-derivative financial liabilities	3,85,11,681	3,86,46,63,242	-	-	-	3,90,31,74,923

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.

As at 31 March 2021	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	98,82,978	73,18,676	-	-	-	1,72,01,654
Stock-in-trade	3,25,68,48,698	25,24,54,840	-	-	-	3,50,93,03,538
Trade Receivables - Group	7,47,46,177	-	-	-	-	7,47,46,177
Trade Receivables - Others	2,39,892	-	-	-	-	2,39,892
Loans	70,08,564	-	-	-	-	70,08,564
Investments at fair value through profit or loss	-	-	-	-	38,66,667	38,66,667
Investments - Group	-	-	-	-	2,73,01,27,231	2,73,01,27,231
Other financial assets	-	79,351	9,89,487	-	-	10,68,838
Other financial assets - Group	24,13,29,980	11,22,000	-	-	-	24,24,51,978
Total	3,59,00,56,289	26,09,74,867	9,89,487	-	2,73,39,93,898	6,58,60,14,539



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

43 Liquidity risk:

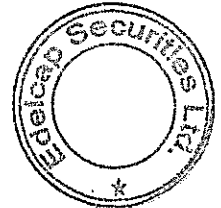
As at 31 March 2020	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	1,07,03,537	73,75,506	-	-	-	1,80,79,043
Stock-in-trade	1,39,77,25,028	-	-	-	-	1,39,77,25,028
Trade Receivables - Group	2,07,591	-	-	-	-	2,07,591
Trade Receivables - Others	6,16,680	-	-	-	-	6,16,680
Loans	44,79,74,177	-	-	-	-	44,79,74,177
Investments at fair value through profit or loss	38,66,667	-	5,79,190	-	-	44,45,857
Investments - Group	-	-	-	50,000	2,73,01,77,231	2,73,02,27,231
Other financial assets	73,07,154	-	6,25,458	-	-	79,32,612
Other financial assets - Group	36,86,48,081	-	-	-	-	36,86,48,081
Total	2,23,70,48,915	73,75,506	12,04,648	50,000	2,73,01,77,231	4,97,58,56,300

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 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Net settled derivatives entered into for trading purposes	98,27,63,716	-	-	-	-	98,27,63,716
Total	98,27,63,716	-	-	-	-	98,27,63,716

As at 31 March 2020	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Net settled derivatives entered into for trading purposes	-36,27,16,297	-	-	-	-	-36,27,16,297
Total	-36,27,16,297	-	-	-	-	-36,27,16,297



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

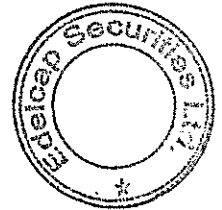
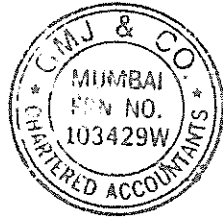
44 Fair Values of Financial Instruments

(a) Fair Value Hierarchy

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

Particulars	31 March 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	1,21,73,62,170	71,39,408	-	1,22,45,01,578
Total derivative financial instruments (assets)	1,21,73,62,170	71,39,408	-	1,22,45,01,578
Stock-in-trade				
Other debt securities and preference shares	1,51,15,61,792			1,51,15,61,792
Mutual fund units	25,24,54,840	-	-	25,24,54,840
Equity instruments	1,74,52,86,906	-	-	1,74,52,86,906
Total stock-in-trade	3,50,93,03,538	-	-	3,50,93,03,538
Investments				
Units of AIF	-	-	-	-
Equity instruments	-	-	-	-
Total investments measured at fair value	-	-	-	-
Total financial assets measured at fair value on a recurring basis	4,72,66,65,708	71,39,408	-	4,73,38,05,116

Particulars	31 March 2021			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (Liabilities):				
Exchange-traded derivatives	24,08,70,289	8,67,573	-	24,17,37,862
Total derivative financial instruments (liabilities)	24,08,70,289	8,67,573	-	24,17,37,862



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

44 Fair Values of Financial Instruments

(a) Fair Value Hierarchy

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

Particulars	31 March 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	13,05,700	-	-	13,05,700
Total derivative financial instruments (assets)	13,05,700	-	-	13,05,700
Stock-in-trade				
Other debt securities and preference shares	1,38,31,84,328	-	-	1,38,31,84,328
Equity instruments	1,45,40,700	-	-	1,45,40,700
Total stock-in-trade	1,39,77,25,028	-	-	1,39,77,25,028
Investments				
Units of AIF	-	-	50,000	50,000
Equity instruments	5,79,190	-	-	5,79,190
Total investments measured at fair value	5,79,190	-	50,000	6,29,190
Total financial assets measured at fair value on a recurring basis	1,39,96,09,918	-	50,000	1,39,96,59,918

Particulars	31 March 2020			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (Liabilities):				
Exchange-traded derivatives	1,31,01,642	35,09,20,355	-	36,40,21,997
Total derivative financial instruments (liabilities)	1,31,01,642	35,09,20,355	-	36,40,21,997

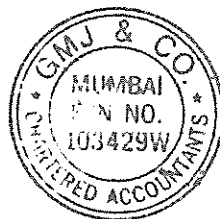
Fair valuation techniques:

(i) Equity instruments and units of Alternative Investment Funds

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

(ii) Derivatives

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



Edelcap Securities Limited

Notes to the financial statements (Continued)

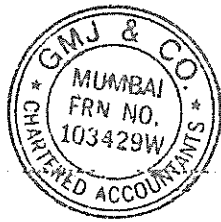
(Currency : Indian rupees)

44 Fair Values of Financial Instruments

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

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

Particulars	31 March 2021	31 March 2020
Opening	50,000	45,12,77,275
Purchase	-	-
Sales	-50,000	-38,37,50,000
Gains / (losses) for the year recognised in profit or loss	-	-6,74,77,275
Gains / (losses) for the year recognised in other comprehensive income	-	-
Closing	-	50,000
Unrealised gains / (losses) related to balances held at the end of the year	-	-6,74,77,275



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

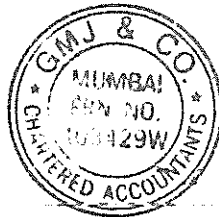
44 Fair Values of Financial Instruments

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

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

Type of financial Instruments	Fair value of asset as on 31 March 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
Investments in units of AIF	-	-	Net assets approach	Fair value of underlying investments	Nil	5%	-	5%	-

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
Investments in units of AIF	50,000	-	Net assets approach	Fair value of underlying investments	Nil	5%	2,500	5%	-2,500



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

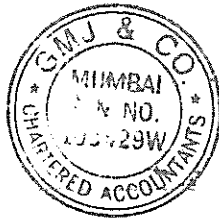
44 Fair values of financial instruments (continued)

(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
Financial assets:					
Cash and cash equivalent	98,82,978	98,82,978	98,82,978	-	-
Bank balances other than cash and cash equivalent	73,18,676	73,18,676	73,18,676	-	-
Trade receivables	2,39,892	2,39,892	-	2,39,892	-
Trade receivables - Group	7,47,46,177	7,47,46,177	-	7,47,46,177	-
Loans - Group	70,08,564	70,08,564	-	70,08,564	-
Investments at cost - Group	2,73,01,27,231	2,73,01,27,231	-	2,73,01,27,231	-
Other financial assets	21,90,836	21,90,836	-	21,90,836	-
Other financial assets - Group	1,02,07,231	1,02,07,231	1,02,07,231	-	-
Total	2,84,55,88,252	2,84,55,88,252	2,74,08,885	2,81,81,79,367	-
Financial liabilities:					
Trade payables	67,29,939	67,29,939	-	67,29,939	-
Trade payables - Group	63,80,920	63,80,920	-	63,80,920	-
Borrowing (other than debt securities) - Group	2,38,41,90,375	2,38,41,90,375	-	2,38,41,90,375	-
Subordinated liabilities - Group	4,37,62,50,000	4,37,62,50,000	-	4,37,62,50,000	-
Other financial liabilities - group	25,57,957	25,57,957	-	25,57,957	-
Other financial liabilities	53,32,84,055	53,32,84,055	-	53,32,84,055	-
Total	7,30,93,93,246	7,30,93,93,246	-	7,30,93,93,246	-

Particulars	31 March 2020				
	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalent	1,07,03,537	1,07,03,537	1,07,03,537	-	-
Bank balances other than cash and cash equivalent	73,75,506	73,75,506	73,75,506	-	-
Trade receivables	6,16,680	6,16,680	-	6,16,680	-
Trade receivables - Group	2,07,591	2,07,591	-	2,07,591	-
Loans - Group	44,79,74,177	44,79,74,177	-	44,79,74,177	-
Investments at cost - Group	2,73,01,27,231	2,73,01,27,231	-	2,73,01,27,231	-
Other financial assets	1,38,63,696	1,38,63,696	59,31,084	79,32,612	-
Total	3,21,08,68,418	3,21,08,68,418	2,40,10,127	3,18,68,58,291	-
Financial liabilities:					
Trade payables	1,19,36,326	1,19,36,326	-	1,19,36,326	-
Trade payables - Group	2,17,41,897	2,17,41,897	-	2,17,41,897	-
Subordinated liabilities - Group	3,86,46,63,242	3,86,46,63,242	-	3,86,46,63,242	-
Other financial liabilities - group	37,69,321	37,69,321	-	37,69,321	-
Other financial liabilities	10,64,137	10,64,137	-	10,64,137	-
Total	3,90,31,74,923	3,90,31,74,923	-	3,90,31,74,923	-



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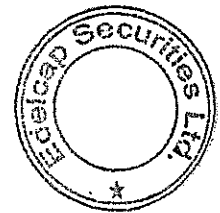
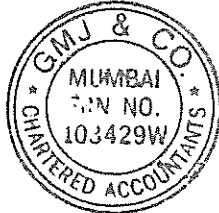
(Currency : Indian rupees)

45 Total market risk exposure

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

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

Particulars	31 March 2021			31 March 2020		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	1,72,01,654	-	1,72,01,654	1,80,79,043	-	1,80,79,043
Derivative financial instruments	1,21,38,86,465	1,21,38,86,465	-	700	700	-
Stock-in-trade	3,50,93,03,538	3,50,93,03,538	-	1,39,77,25,028	1,39,77,25,028	-
Loans	70,08,564	-	70,08,564	44,79,74,177	-	44,79,74,177
Trade receivables	2,39,892	-	2,39,892	6,16,680	-	6,16,680
Trade Receivables - Group	7,47,46,177	-	7,47,46,177	2,07,591	-	2,07,591
Investments at fair value through profit or loss	-	-	-	6,29,190	-	6,29,190
Investments - at amortised cost	38,66,667	-	38,66,667	38,66,667	-	38,66,667
Other financial assets	1,23,98,067	1,02,07,231	21,90,836	1,38,63,696	-	1,38,63,696
Total	4,83,86,51,024	4,73,33,97,234	10,52,53,790	1,88,29,62,772	1,39,77,25,728	48,52,37,044
Liability						
Borrowings (other than Debt Securities)-Group	2,38,41,90,375	-	2,38,41,90,375	-	-	-
Subordinated liabilities - Group	4,37,62,50,000	-	4,37,62,50,000	3,86,46,63,242	-	3,86,46,63,242
Trade payables	63,80,920	-	63,80,920	1,19,36,326	-	1,19,36,326
Trade payables - Group	67,29,939	-	67,29,939	2,17,41,897	-	2,17,41,897
Other financial liabilities	53,32,68,605	-	53,32,68,605	48,33,458	6,300	48,27,158
Other financial liabilities - Group	25,73,407	-	25,73,407	-	-	-
Total	7,30,93,93,246	-	7,30,93,93,246	3,90,31,74,923	6,300	3,90,31,68,623



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

46 Analysis of risk concentration

Industry analysis - Risk concentration for 31 March 2021

Particulars	Financial services	Logistics	Information Technology	Construction	Manufacturing	Tele-Communications	Services	Total
Financial assets								
Cash and cash equivalent and other bank balances	1,72,01,654	-	-	-	-	-	-	1,72,01,654
Derivative financial instruments	1,21,38,86,465	-	-	-	-	-	-	1,21,38,86,465
Financial assets carried at fair value through profit and loss	-	-	-	-	38,66,667	-	-	38,66,667
Investment - Group	2,73,01,27,231	-	-	-	-	-	-	2,73,01,27,231
Stock in trade	2,77,68,89,697	10,53,60,000	36,73,02,601	6,09,67,117	12,88,84,995	6,98,99,128	-	3,50,93,03,538
Trade and other receivables	2,39,892	-	-	-	-	-	-	2,39,892
Trade receivables - Group	7,47,46,177	-	-	-	-	-	-	7,47,46,177
Loans - Group	70,08,564	-	-	-	-	-	-	70,08,564
Other financial assets	1,23,98,067	-	-	-	-	-	-	1,23,98,067
Total	6,83,24,97,747	10,53,60,000	36,73,02,601	6,09,67,117	13,27,51,662	6,98,99,128	-	7,56,87,78,255
Other Commitments	-	-	-	-	-	-	-	-
Total	6,83,24,97,747	10,53,60,000	36,73,02,601	6,09,67,117	13,27,51,662	6,98,99,128	-	7,56,87,78,255

Industry analysis - Risk concentration for 31 March 2020

Particulars	Financial services	Logistics	Information Technology	Construction	Manufacturing	Tele-Communications	Services	Total
Financial assets								
Cash and cash equivalent and other bank balances	1,80,79,043	-	-	-	-	-	-	1,80,79,043
Derivative financial instruments	700	-	-	-	-	-	-	700
Financial assets carried at fair value through profit and loss	50,000	-	-	-	44,45,857	-	-	44,95,857
Investment - Group	2,73,01,27,231	-	-	-	-	-	-	2,73,01,27,231
Stock in trade	1,38,31,85,334	-	-	13,88,698	1,12,99,796	-	18,51,200	1,39,77,25,028
Trade and other receivables	8,24,271	-	-	-	-	-	-	8,24,271
Loans - Group	44,79,74,177	-	-	-	-	-	-	44,79,74,177
Other financial assets	1,38,63,696	-	-	-	-	-	-	1,38,63,696
Total	4,59,41,04,452	-	-	13,88,698	1,57,45,653	-	18,51,200	4,61,30,90,003
Other Commitments	-	-	-	-	-	-	-	-
Total	4,59,41,04,452	-	-	13,88,698	1,57,45,653	-	18,51,200	4,61,30,90,003



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Notes to the financial statements (Continued)

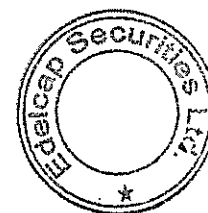
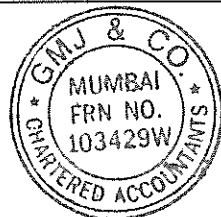
(Currency : Indian rupees)

47 Disclosure related to collateral

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

31 March 2021	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalents including bank balance	71,75,000	-	-	1,00,26,654	1,72,01,654
Stock in trade	1,51,15,61,792	-	1,99,77,41,746	-	3,50,93,03,538
Trade receivables	-	-	7,49,86,069	-	7,49,86,069
Derivative assets	-	-	-	1,21,38,86,465	1,21,38,86,465
Loans	-	-	-	70,08,564	70,08,564
Investments	-	-	2,73,01,27,231	38,66,667	2,73,39,93,898
Other financial assets	6,78,458	-	-	1,17,19,609	1,23,98,067
Property, plant and equipment	-	-	-	1,39,47,789	1,39,47,789
Other Intangible assets	-	-	-	53,222	53,222
Other non financial assets	-	-	-	72,61,354	72,61,354
Total assets	1,51,94,15,250	-	4,80,28,55,046	1,26,77,70,324	7,59,00,40,620

31 March 2020	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	71,75,000	-	-	1,09,04,043	1,80,79,043
Stock in trade	1,37,01,08,423	-	2,76,16,605	-	1,39,77,25,028
Trade receivables	-	-	8,24,271	-	8,24,271
Derivative assets	-	-	-	700	700
Loans	-	-	-	44,79,74,177	44,79,74,177
Investments	-	-	2,73,46,23,088	-	2,73,46,23,088
Other financial assets	63,56,084	-	-	75,07,612	1,38,63,696
Property, plant and equipment	-	-	-	1,46,43,327	1,46,43,327
Other Intangible assets	-	-	-	2,45,719	2,45,719
Other non financial assets	-	-	-	3,81,54,274	3,81,54,274
Total assets	1,38,36,39,507	-	2,76,30,63,964	51,94,29,852	4,66,61,33,323



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Notes to the financial statements (Continued)

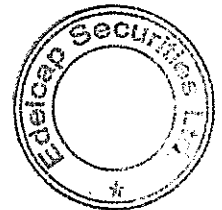
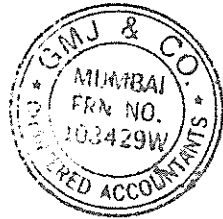
(Currency : Indian rupees)

48 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
Financial assets						
Cash and cash equivalents	98,82,978	-	98,82,978	1,07,03,537	-	1,07,03,537
Other bank balances	73,18,676	-	73,18,676	73,75,506	-	73,75,506
Derivative financial instruments	1,21,38,86,465	-	1,21,38,86,465	700	-	700
Stock-in-trade	3,50,93,03,538	-	3,50,93,03,538	1,39,77,25,028	-	1,39,77,25,028
Other receivables	7,49,86,069	-	7,49,86,069	8,24,271	-	8,24,271
Loans	70,08,564	-	70,08,564	44,79,74,177	-	44,79,74,177
Investments	-	2,73,39,93,898	2,73,39,93,898	38,66,667	2,73,07,56,421	2,73,46,23,088
Other financial assets	1,17,19,611	6,78,456	1,23,98,067	1,32,38,238	6,25,458	1,38,63,696
	4,83,41,05,901	2,73,46,72,354	7,56,87,78,255	1,88,17,08,124	2,73,13,81,879	4,61,30,90,003
Non-financial assets						
Current tax assets (net)	60,85,352	3,53,25,552	4,14,10,904	2,10,56,378	1,42,08,982	3,52,65,360
Deferred tax assets (net)	-	26,04,16,819	26,04,16,819	-	35,10,64,687	35,10,64,687
Property, plant and equipment	-	1,39,47,789	1,39,47,789	-	1,46,43,327	1,46,43,327
Other intangible assets	-	53,222	53,222	-	2,45,719	2,45,719
Other non-financial assets	67,20,863	5,40,491	72,61,354	3,81,54,274	-	3,81,54,274
	1,28,06,215	31,02,83,873	32,30,90,088	5,92,10,652	38,01,62,715	43,93,73,367
Total assets	4,84,69,12,116	3,04,49,56,227	7,89,18,68,343	1,94,09,18,776	3,11,15,44,594	5,05,24,63,370

Particulars	31 March 2021			31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Other payables	1,31,10,859	-	1,31,10,859	3,36,78,223	-	3,36,78,223
Borrowing (other than debt securities)	2,38,41,90,375	-	2,38,41,90,375	-	-	-
Subordinated Liabilities	4,37,62,50,000	-	4,37,62,50,000	3,86,46,63,242	-	3,86,46,63,242
Other financial liabilities	53,58,42,012	-	53,58,42,012	48,33,458	-	48,33,458
	7,30,93,93,246	-	7,30,93,93,246	3,90,31,74,923	-	3,90,31,74,923
Non-financial liabilities						
Current tax liabilities (net)	56,48,643	-	56,48,643	32,15,372	-	32,15,372
Provisions	85,95,000	3,17,40,095	4,03,35,095	35,42,000	2,27,85,247	2,63,27,247
Other non-financial liabilities	1,70,78,286	-	1,70,78,286	1,76,82,486	-	1,76,82,486
	3,13,21,929	3,17,40,095	6,30,62,024	2,44,39,858	2,27,85,247	4,72,25,105
Total liabilities	7,34,07,15,175	3,17,40,095	7,37,24,55,270	3,92,76,14,781	2,27,85,247	3,95,04,00,028



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Notes to the financial statements (Continued)

(Currency : Indian rupees)

49 Market risk

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

(i) Interest rate risk

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

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

2020-21						
Currency of borrowing / advances	Increase in IRF price (%)	Effect on profit before tax	Effect on Equity	Decrease in IRF price (%)	Effect on profit before tax	Effect on Equity
INR	5	-		5	-	

2019-20						
Currency of borrowing / advances	Increase in IRF price (%)	Effect on profit before tax	Effect on Equity	Decrease in IRF price (%)	Effect on profit before tax	Effect on Equity
INR	5	50,96,750		5	(50,96,750)	

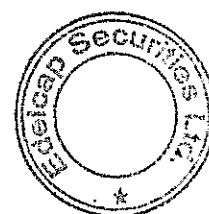
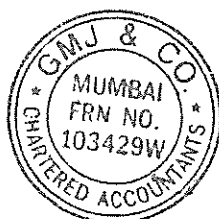
(ii) Currency risk

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

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

2020-21						
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	(16,91,74,566)		5	16,91,74,566	

2019-20						
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	(1,75,48,240)		5	1,75,48,240	



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

49 Market risk

(iii) Equity price risk

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

2020-21						
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	(8,74,18,548)		5	8,74,18,548	
Mutual fund units	5	1,26,22,742		5	(1,26,22,742)	
Equity instruments	5	8,72,64,345		5	(8,72,64,345)	
Debt instruments	5	7,33,74,136		5	(7,33,74,136)	
Units of AIF	5	-		5	-	

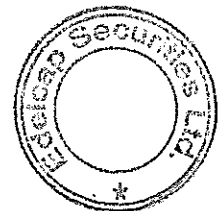
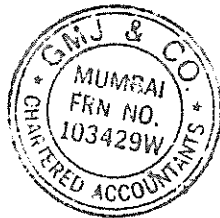
2019-20						
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Equity instruments	5	7,55,995		5	(7,55,995)	
Debt instruments	5	6,93,52,550		5	(6,93,52,550)	
Units of AIF	5	2,500		5	(02,500)	

(iv) Index price risk

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

2020-21						
Impact on	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	6,36,66,424		5	(6,36,66,424)	

2019-20						
Impact on	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	(10,38,80,459)		5	10,38,80,459	



Edelcap Securities Limited

Notes to the financial statements (continued)

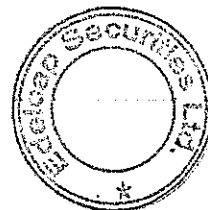
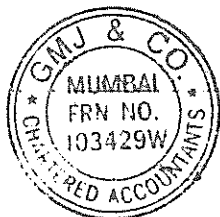
(Currency: Indian Rupees)

50 Cash flow disclosure

Change in liabilities arising from financing activities

Particulars	1 April 2020	Cash flows	Changes in fair values	Others	31 March 2021
Borrowings other than debt securities	-	2,37,24,45,954	-	1,17,44,421	2,38,41,90,375
Subordinated liabilities	3,86,46,63,242	-	-	51,15,86,758	4,37,62,50,000
Total liabilities from financing activities	3,86,46,63,242	2,37,24,45,954	-	52,33,31,179	6,76,04,40,375

Particulars	1 April 2019	Cash flows	Changes in fair values	Others	31 March 2020
Borrowings other than debt securities	3,45,63,14,656	-3,42,71,47,753	-	-2,91,66,903	-
Subordinated liabilities	1,83,90,11,125	2,30,62,00,000	-	-28,05,47,883	3,86,46,63,242
Total liabilities from financing activities	5,29,53,25,781	-1,12,09,47,753	-	-30,97,14,786	3,86,46,63,242



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

51 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 & Co.
Chartered Accountants
ICAI Firm Registration No. 103429W



Haridas Bhat
Partner
Membership No. 039070



Mumbai
03 June 2021

UDIN: 21039070AAAAKA9289

For and on behalf of Board of Directors


Rituparna Barman Roy
Executive Director
DIN - 08050620


Amit Kothari
Director
DIN - 05231769


Ritesh Jain
Chief Financial Officer

Mumbai
03 June 2021

