

EDELCAP SECURITIES LIMITED

Corporate Identity No.: U67120TG2008PLC057145

Financial Statement for the year ended March 31, 2022

Directors

Ms. Rituparna Barman Roy	- Executive Director
Ms. Piyush Chamria	- Executive Director
Ms. Sonal Deshpande	- Executive Director

Chief Financial Officer

Mr. Ritesh Jain

Company Secretary

Ms. Akshaya Mishra

Statutory Auditors

M/s. GMJ & Co., Chartered Accountants

Registered Office

2nd Floor, MB Towers, Plot No. 5, Road No. 2,
Banjara Hills, Hyderabad, Telangana- 500034

Tel: +91 40 4031 6900 Fax: +91 40 4031 6905

Email: treasury.compliance@edelweissfin.com

Registrar and Transfer Agent

Link Intime India Private Limited

C-101, 1st Floor, 247 Park,

Lal Bahadur Shastri Marg, Vikhroli (West),

Mumbai, Maharashtra - 400083

Phone: +91 022 49186000 Fax: +91 022- 49186060

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Independent Auditor's Report**To the Members of Edelcap Securities Limited
Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of **Edelcap Securities Limited** ("the Company"), which comprise the Balance sheet as at March 31 2022, 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

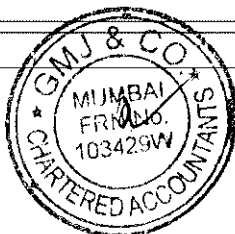
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements'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

Other Information

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

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

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



Management's Responsibilities for the Ind AS Financial Statements

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

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

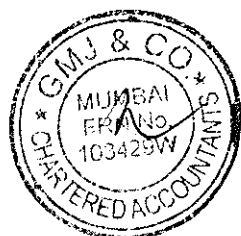
The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

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

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

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



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

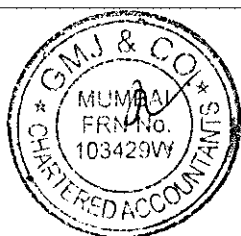
Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors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

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

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

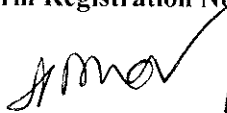
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

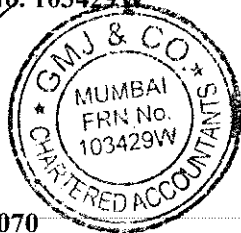


- i. the Company does not have any pending litigations which would impact its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 51(ii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiary”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;
- b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 51(iii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the period by the Company.

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



Haridas Bhat
Partner
Membership No.:39070



UDIN: 22039070AJBWZZ8394
Place: Mumbai
Date: May 16, 2022

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelcap Securities Limited ('the Company') on the financial statements for the year ended March 31, 2022, we report that:

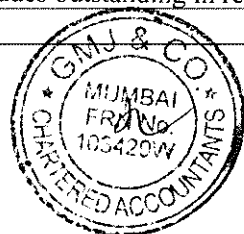
- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, there is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2022.
- (e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not involve inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) (A) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to its subsidiaries, joint ventures and associates.
- (B) During the year, the Company has provided loans aggregating to Rs. 7,56,77,66,896 to three companies other than its subsidiaries, joint ventures and associates and the balance outstanding as at the balance sheet date with respect to such loans is Rs. 94,44,63,727. Further as per the information and explanations given to us by the management, the Company has not granted advances in nature of loans or given any guarantee or provided any security during the year to parties other than its subsidiaries, joint ventures and associates.
- (b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the terms and conditions of the grant of all loans during the year to companies are not prejudicial to the Company's interest. Further as per the information given by the management, during the year the Company has not made any investments in companies, firms, Limited Liability Partnerships or any other parties or provided any guarantees or given any security.



- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has granted loans and advances in the nature of loans to companies, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amount of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) In our opinion and according to the information and explanations given to us, there were no loans or advance in the nature of loan granted to companies which was fallen due during the year that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, investments in respect of which the provisions of section 186 of the Companies Act 2013 are applicable have been complied with by the Company.
- (v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained by the management of the Company, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, goods and service tax, cess and other statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to employees' state insurance, service tax, duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company.

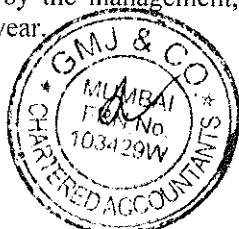
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of, provident fund, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The provisions relating to employees' state insurance, service tax, duty of excise, duty of custom, sales tax, value added tax and cess are not applicable to the Company. The dues outstanding in respect of income tax on account of dispute, are as follows:

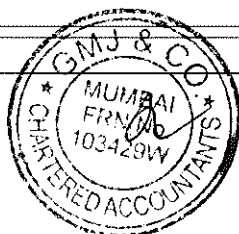


Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Act, 1961	Tax	Income Tax	63,92,170	A.Y.2017-18 CIT (A)
Income Act, 1961	Tax	Income Tax	2,70,61,980	A.Y.2018-19 CIT (A)

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term loan during the year. Hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis in the form of preference shares aggregating to Rs. 231.31 crores for long-term purposes representing investments in its subsidiaries and associates, acquisition of property plant and equipment, repayment of loans.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report under clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment of non-cumulative non-convertible redeemable preference shares during the year. The funds raised, have been used for the purposes for which the funds were raised.
- (xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor, or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

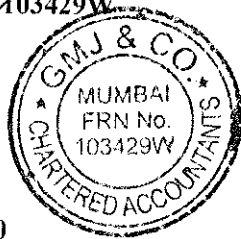
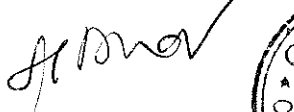


- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date for the period under audit.
- (xv) According to the information and explanations given by the management, the Company has not entered into non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the current year. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 46,49,37,709.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company
- (xix) On the basis of the financial ratios disclosed in note 51(iv) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- (xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36.4 to the financial statements.
- (b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 36.4 to the financial statements.
- (xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

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



Haridas Bhat
Partner
Membership No.:39070

UDIN: 22039070AJBWZZ8394
Place: Mumbai
Date: May 16, 2022

Annexure B to the Auditors' Report

Annexure B the Independent Auditor's report of even date on the financial statements of Edelcap Securities Limited ("the Company")

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

We have audited the internal financial controls over financial reporting of **Edelcap Securities Limited ("the Company")** as of March 31, 2022 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

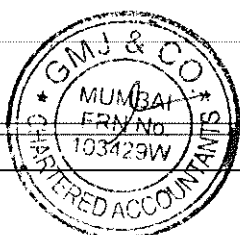
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

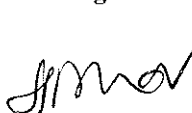
Inherent Limitations of Internal Financial Controls Over Financial Reporting

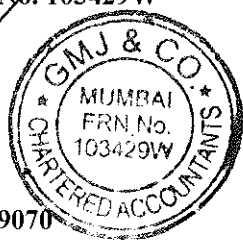
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


Haridas Bhat
Partner
Membership No.:39070



UDIN: 22039070AJBWZZ8394

Place: Mumbai

Date: May 16, 2022

Edelcap Securities Limited

Balance Sheet

(Currency : Indian rupees in millions)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	7	10.79	9.88
Bank balances other than cash and cash equivalents	8	7.32	7.32
Derivative financial instruments	9	32.47	1,213.89
Stock in trade	10	789.91	3,509.30
Trade receivables	11	0.80	74.99
Loans	12	951.84	7.01
Investments	13	2,734.00	2,734.00
Other financial assets	14	75.41	12.08
		<u>4,602.54</u>	<u>7,568.47</u>
Non-financial assets			
Current tax assets (net)	15	45.65	41.41
Deferred tax assets (net)	16	230.46	260.42
Property, plant and equipment	17	8.18	13.95
Other Intangible assets	17	0.00	0.05
Other non- financial assets	18	31.89	7.57
		<u>316.18</u>	<u>323.40</u>
TOTAL ASSETS		<u>4,918.72</u>	<u>7,891.87</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		0.65	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	19	12.88	13.11
Borrowings (other than debt securities)	20	-	2,384.19
Subordinated liabilities	21	4,133.13	4,376.25
Other financial liabilities	22	141.04	535.85
		<u>4,287.70</u>	<u>7,309.40</u>
Non-financial liabilities			
Current tax liabilities (net)	23	5.65	5.65
Provisions	24	20.87	40.33
Other non-financial liabilities	25	5.43	17.08
		<u>31.95</u>	<u>63.06</u>
EQUITY			
Equity share capital	26	3.00	3.00
Other equity	27	596.07	516.41
		<u>599.07</u>	<u>519.41</u>
TOTAL LIABILITIES AND EQUITY		<u>4,918.72</u>	<u>7,891.87</u>

Significant accounting policies and notes forming part of the financial statements 1-52

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

For GMJ & Co.

Chartered Accountants

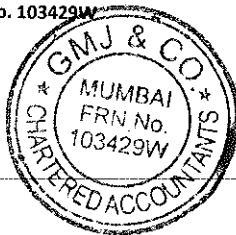
ICAI Firm Registration No. 103429W

Haridas Bhat
Partner

Membership No. 039070

Mumbai

16 May 2022



For and on behalf of Board of Directors

Rituparna Barman Roy
Rituparna Barman Roy
Executive Director
DIN - 08050620

Piyush Chamria
Piyush Chamria
Executive Director
DIN - 08814424

Ritesh Jain
Ritesh Jain
Chief Financial Officer
Mumbai

Akshaya Mishra
Akshaya Mishra
Company Secretary



16 May 2022

Edelcap Securities Limited

Statement of Profit and Loss

{Currency : Indian rupees in millions}

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
Interest income	28	218.15	267.24
Dividend income	29	0.88	9.86
Fee and commission income	30	0.49	0.60
Net gain on fair value changes	31	398.59	1,349.63
Total revenue from operations		618.11	1,627.33
Other income	32	0.90	0.76
Total income		619.01	1,628.09
Expenses			
Finance costs	33	50.46	733.43
Impairment on financial instruments	34	0.17	0.02
Employee benefits expense	35	242.66	934.88
Depreciation, amortisation and impairment	17	5.83	7.60
Other expenses	36	215.73	435.62
Total expenses		514.85	2,111.55
Profit / (Loss) before tax		104.16	(483.46)
Tax expenses:			
Current tax		(3.46)	0.61
Deferred tax		30.00	92.63
Profit / (Loss) for the year		77.62	(576.72)
Profit / (Loss) for the year		77.62	(576.72)
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans (OCI)		(0.19)	(7.93)
Less: income tax relating to items that will not be reclassified to profit or loss		0.05	2.00
Other Comprehensive Income		(0.14)	(5.93)
Total comprehensive income		77.48	(582.65)
Earnings per equity share (Face value of Rs 10 each):			
Basic and diluted (in Rupees)	39	258.71	(1,922.39)
Significant accounting policies and notes forming part of the financial statements	1-52		

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

For GMJ & Co.

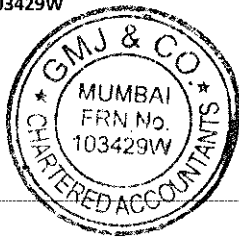
Chartered Accountants

ICAI Firm Registration No. 103429W

Haridas Bhat
Partner

Membership No. 039070

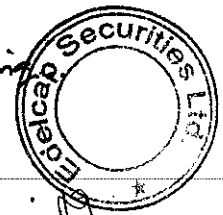
Mumbai
16 May 2022



For and on behalf of Board of Directors

Rituparna Barman Roy
Rituparna Barman Roy
Executive Director
DIN - 08050620

Piyush Chamria
Piyush Chamria
Executive Director
DIN - 08814424



Ritesh Jain
Ritesh Jain
Chief Financial Officer
Mumbai
16 May 2022

Akshaya Mishra
Akshaya Mishra
Company Secretary

Edelcap Securities Limited

Cash flow statement

(Currency : Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flow from operating activities		
Profit before taxation	104.16	(483.46)
Adjustments for		
Interest income	(105.33)	(21.66)
Depreciation	5.83	7.60
ESOP reversal on lapse of vesting period	2.18	-
Impairment of financial instruments	(0.17)	-
Profit on sale of fixed assets	(0.15)	(0.01)
Provision for gratuity and compensated absences	2.70	21.94
Fair value of financial instruments	(26.60)	(26.56)
Interest expense on subordinated liabilities	-	511.59
Interest expense	49.90	213.41
Operating cash flow before working capital changes	32.52	222.85
Adjustments for working capital changes		
Increase/(decrease) in financial liabilities (including trade payables)	(394.38)	510.44
(Decrease) / increase in non-financial liabilities	(34.00)	(16.46)
Decrease/ (increase) in fixed deposit including accrued interest	(0.00)	0.06
(Increase)/ decrease in derivative financial instruments	1,181.42	(1,213.89)
(Increase)/ decrease in stock in trade	2,745.98	(2,084.44)
Increase in trade receivables	74.19	(74.16)
Decrease in other financial assets	(63.32)	1.52
Increase in other non-financial assets	(24.32)	30.89
Cash (used in)/ generated from operations	3,518.09	(2,623.20)
Income tax paid	(0.77)	(4.32)
Net cash (used in)/ generated from operating activities - A	3,517.32	(2,627.52)
B Cash flow from investing activities		
Purchase / Sale of Fixed Assets	0.14	(6.70)
Interest received	104.79	17.48
Net cash generated from investing activities - B	104.93	10.78
C Cash flow from financing activities		
Borrowings (other than debt securities) (refer Note 2)	(2,372.45)	2,372.45
Loans and Advances given	(944.12)	445.15
Proceeds from issue of preference shares	4,133.13	4,376.25
Payment on redemption of preference share capital	(4,376.25)	(4,376.25)
Interest paid	(61.65)	(201.67)
Net cash generated from/ (used in) financing activities - C	(3,621.34)	2,615.92
Net (decrease) / increase in cash and cash equivalents (A+B+C)	0.91	(0.82)
Cash and cash equivalents as at the beginning of the year	9.88	10.70
Cash and cash equivalents as at the end of the year (refer note 1)	10.79	9.88

Notes:

- 1 Cash and cash equivalents include the following:

Balances with banks:

In current accounts

10.79

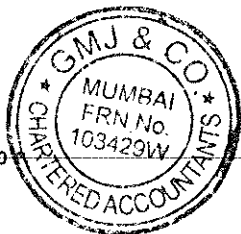
9.88

- 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
16 May 2022



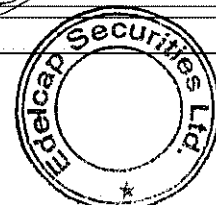
For and on behalf of Board of Directors

Rituparna Barman Roy
Rituparna Barman Roy
Executive Director
DIN - 08050620

Piyush Chamria
Piyush Chamria
Executive Director
DIN - 08814424

Ritesh Jain
Ritesh Jain
Chief Financial Officer
Mumbai
16 May 2022

Akshaya Mishra
Akshaya Mishra
Company Secretary



Edelcap Securities Limited
Statement of Changes in Equity
(Currency : Indian rupees in millions)

(A) Equity share capital

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	3.00	3.00
Changes in equity share capital (refer note 26)	-	-
Balance at the end of the year	3.00	3.00

(B) Other Equity

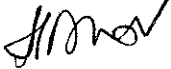
	ESOP reserve	Retained earnings	Total
Balance at 31 March 2020 (Ind AS)	3.61	1,095.46	1,099.06
Loss for the year	-	(576.72)	(576.72)
Other comprehensive income	-	(5.93)	(5.93)
Total comprehensive income for the year	-	(582.65)	(582.65)
Balance at 31 March 2021 (Ind AS)	3.61	512.81	516.41
ESOP reversal	-	2.18	2.18
Profit for the year	-	77.62	77.62
Other comprehensive income	-	(0.14)	(0.14)
Total comprehensive income for the year	-	77.48	77.48
Balance at 31 March 2022 (Ind AS)	3.61	592.47	596.07

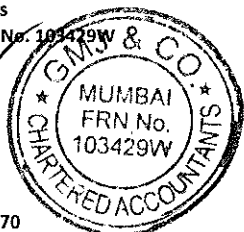
1 ESOP reserve:

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

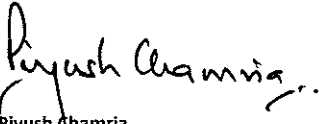

Haridas Bhat
Partner
Membership No. 039070
Mumbai
16 May 2022

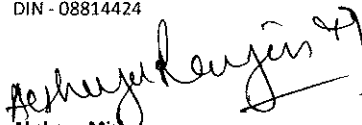


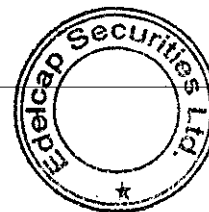
For and on behalf of Board of Directors


Nituparna Barman Roy
Executive Director
DIN - 08050620


Ritesh Jain
Chief Financial Officer
Mumbai
16 May 2022


Piyush Chamria
Executive Director
DIN - 08814424


Akshaya Mishra
Company Secretary



Edelcap Securities Limited
Notes to the financial statements
for the year ended 31 March 2022

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 Edel Land 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.

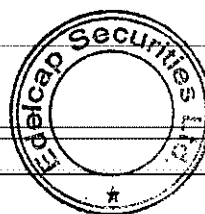
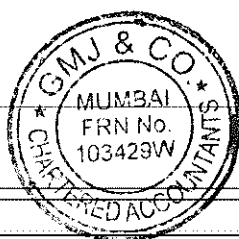
2. Basis of preparation of financial statements

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, 2022 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.



Edelcap Securities Limited
Notes to the financial statements
for the year ended 31 March 2022

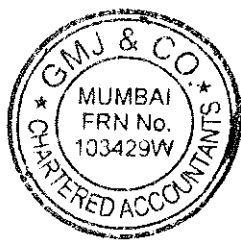
3. Presentation of financial statements

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 2022 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 2022 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 2022

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.

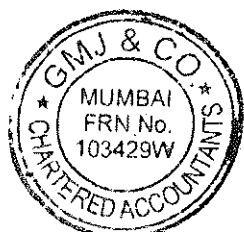
4.1.3 Dividend income is recognised in statement of profit and loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

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.



Edelcap Securities Limited

Notes to the financial statements

for the year ended 31 March 2022

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:

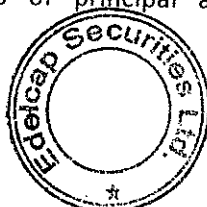
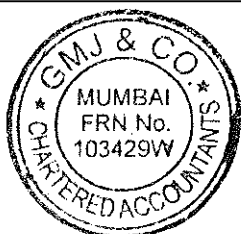
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal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



Edelcap Securities Limited

Notes to the financial statements

for the year ended 31 March 2022

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.

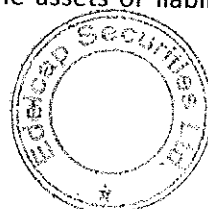
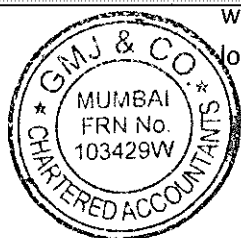
4.3.2.1 Debt securities and other borrowed funds

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



Edelcap Securities Limited
Notes to the financial statements
for the year ended 31 March 2022

- 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

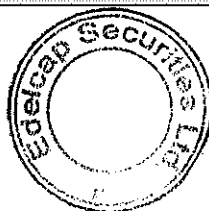
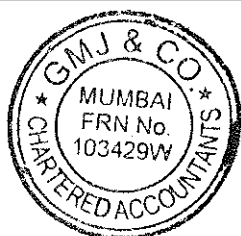
Financial instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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.



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4.4 Reclassification of financial assets and liabilities

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

4.5 Derecognition of financial assets and financial liabilities

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

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

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

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

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

4.5.2 Derecognition of financial assets other than due to substantial modification

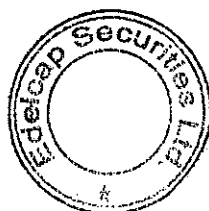
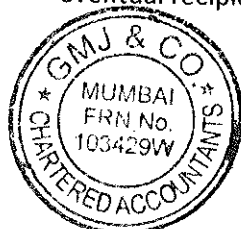
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial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

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

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

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

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



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

A transfer qualifies for derecognition if either:

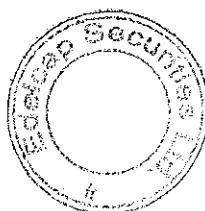
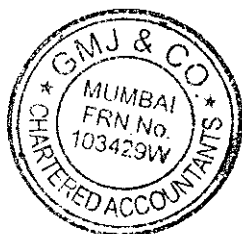
- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

4.5.3 Derecognition of financial liabilities

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

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



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Notes to the financial statements

for the year ended 31 March 2022

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.

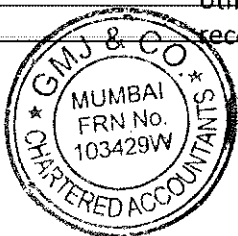
For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company 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.



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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.

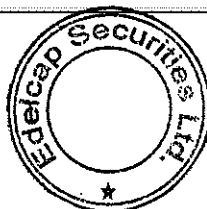
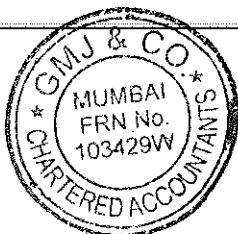
4.9 Write off

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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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:

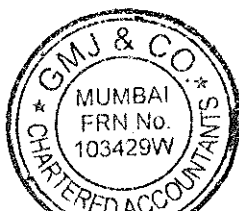
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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.



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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

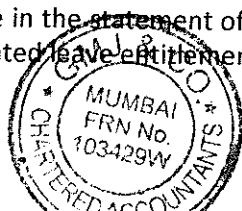
The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted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



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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.

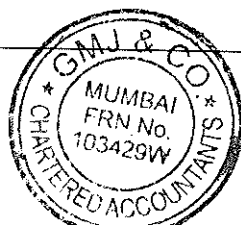
Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use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



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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

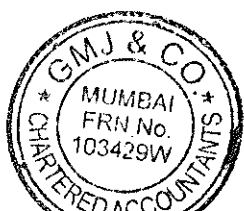
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

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.



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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:

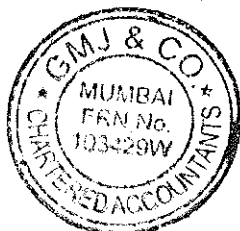
- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

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.



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for the year ended 31 March 2022

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.



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for the year ended 31 March 2022

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

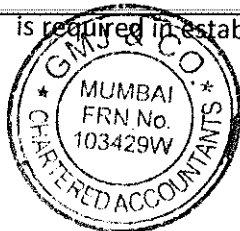
A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In 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 2022

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:

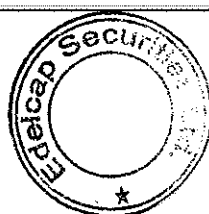
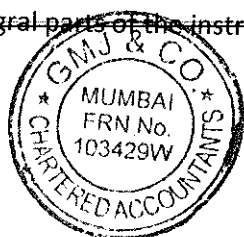
- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative 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 2022

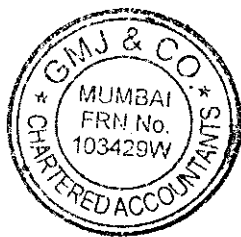
d. Accounting for deferred taxes

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

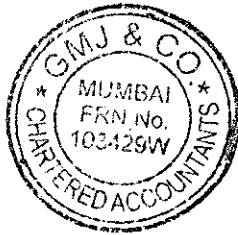
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
7 Cash and cash equivalents		
Cheques, drafts on hand	-	-
Balances with banks		
- in current accounts	10.79	9.88
	<u>10.79</u>	<u>9.88</u>
8 Bank balances other than cash and cash equivalents		
Fixed deposits, held as margin money	7.18	7.18
Accrued interest on fixed deposits	0.14	0.14
	<u>7.32</u>	<u>7.32</u>

8.1 Encumbrances' on fixed deposits held by the Company

The Company has pledged fixed deposits aggregating to Rs. 7.18 millions with National Stock exchange for meeting margin requirements (Previous year: Rs. 7.18 millions).



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

9 Derivative financial instruments

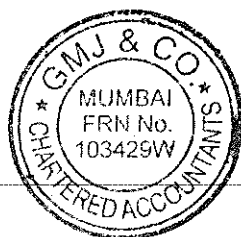
The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

Particulars	31 March 2022					
	Notional		Fair value of asset (INR)	Notional		Fair value of liability (INR)
	Unit	Notional amount *		Unit	Notional amount *	
(i) Currency derivatives						
-Currency Futures	Number of currency units	1,90,00,000	21.68	Number of currency units	45,65,000	3.13
Less: amounts offset (refer Note in offsetting disclosure)			(21.68)			(3.13)
Sub total (i)			-			-
(ii) Interest rate derivatives						
-Futures	Number of units	2,45,96,000	1.23			
Less: amounts offset (refer Note in offsetting disclosure)			(1.23)			
Subtotal (ii)			-			-
(iii) Index linked derivatives						
-Index Futures	Number of index units	-	-	Number of index units	4,300	0.18
-Options purchased	Number of index units	5,39,250	32.47	Number of index units	2,79,400	32.71
Less: amounts offset (refer Note in offsetting disclosure)			-			(32.89)
Subtotal (iii)			32.47			-
Total derivative financial instruments			32.47			-

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

Particulars	31 March 2021					
	Notional		Fair value of asset	Notional		Fair value of liability
	Unit	Notional amount *		Unit	Notional amount *	
(i) Currency derivatives						
-Currency Futures	Number of currency units	-	-	Number of currency units	4,60,14,000	8.68
-Options sold (written)	Number of currency units	-	-	Number of currency units	1,20,00,000	5.37
Less: amounts offset (refer Note in offsetting disclosure)			-			(14.05)
Sub total (i)			-			-
(ii) Equity linked derivatives						
-Stock Futures	Number of shares	13,46,000	9.69	Number of shares	11,67,223	22.89
-Options purchased	Number of shares	3,75,100	1.31	Number of shares	-	-
Less: amounts offset (refer Note in offsetting disclosure)			(9.69)			(22.89)
Subtotal (ii)			1.31			-
(iii) Index linked derivatives						
-Index Futures	Number of index units	18,000	0.93	Number of index units	-	-
-Options purchased	Number of index units	13,99,900	1,212.58	Number of index units	14,02,750	204.79
Less: amounts offset (refer Note in offsetting disclosure)			(0.93)			(204.79)
Subtotal (iii)			1,212.58			-
Total derivative financial instruments			1,213.89			-

* 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 in millions)

9 Derivatives Offsetting

Financial assets subject to offsetting, netting arrangements

At 31 March 2022	Offsetting recognised in balance sheet		Total assets
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial assets	55.37	22.91	32.47

* As at the reporting date 31-Mar-2022 the amount of cash margin received that has been offset against the gross derivative assets is Rs.22.91 millions

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	1,224.50	10.62	1,213.89

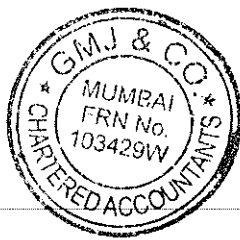
* As at the reporting date 31-Mar-2021 the amount of cash margin received that has been offset against the gross derivative assets is Rs.10.62 millions.

At 31 March 2022	Offsetting recognised in balance sheet		Total liabilities
	Gross asset before offset	Amount offset*	Recognised in the balance sheet
Derivative financial liabilities	36.02	36.02	-

* As at the reporting date 31-Mar-2022, the amount of cash margin received that has been offset against the gross derivative liability is Rs.36.02 millions.

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	241.74	241.74	-

* 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.241.74 millions.



Edelcap Securities Limited

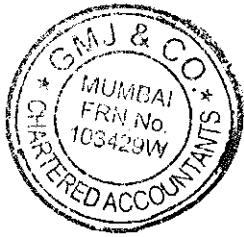
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

10 Stock in trade

At fair value through profit & Loss

	As at 31 March 2022	As at 31 March 2021
Particulars		
(i) Mutual fund	200.78	252.45
(ii) Equity instruments	10.48	1,745.29
(iii) Debentures and Bonds (Quoted)	578.65	1,511.56
Total - Gross	789.91	3,509.30
(i) Investment outside India	-	-
(ii) Investment in India	789.91	3,509.30
Total	789.91	3,509.30
Less: Allowance for impairment	-	-
Total net	789.91	3,509.30



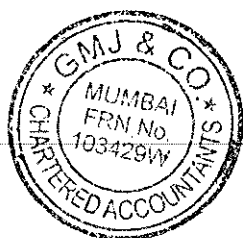
Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

10 Details of stock-in-trade	31 March 2022			31 March 2021		
	Quantity	Face Value	Amount	Quantity	Face Value	Amount
A Securities						
Equity shares (quoted)						
Carried at Fair Value through Profit and Loss						
IRIS Business Services Limited	104,000	10	10.48	104,000	10	4.07
Five Core Electronics*	23,000	10	0.00	23,000	10	0.02
J. Kumar Infraprojects Limited	-	-	-	706	5	0.14
State Bank of India	-	-	-	9,000	1	3.28
Infosys Limited	-	-	-	124,800	5	170.73
Kotak Bank Limited	-	-	-	159,600	5	279.78
Reliance Industries Limited	-	-	-	149,500	10	299.46
Hindalco Industries Limited	-	-	-	90,300	1	29.51
Tata Steel Limited	-	-	-	122,400	10	99.37
ITC Limited	-	-	-	278,400	1	60.83
Wipro Limited	-	-	-	198,400	2	82.17
Axis Bank Limited	-	-	-	430,800	2	300.46
Bharti Airtel Limited	-	-	-	135,123	5	69.90
Tata Consultancy Services Limited	-	-	-	36,000	1	114.40
Adani Ports and Special Economic Zone Limited	-	-	-	150,000	2	105.36
RBL Bank Limited	-	-	-	606,100	10	125.80
			<u>10.48</u>			<u>1,745.29</u>
B Debentures and bonds (Quoted)						
10.65% EDELWEISS RURAL & CORPORATE SERVICES LIMITED 07.04.2022 BONDS	250	1,000,000	254.71	1,010	1,000,000	1,078.29
9.55% EDELWEISS COMMODITIES SERVICES LIMITED 06.08.2021 BONDS				400	1,000,000	433.28
9.95% Ecap Equities Limited 30.04.2024 BONDS	201	1,000,000	223.50	-	-	-
10.65% EDELWEISS RURAL & CORPORATE SERVICES LIMITED 18.04.2022 BONDS	100	1,000,000	100.45	-	-	-
			<u>578.65</u>			<u>1,511.56</u>
C Mutual funds (unquoted)						
Birla Sun Life Cash Direct Plan - Growth	-	-	-	761,477.72	-	252.45
SBI Overnight Fund - Direct Plan - Growth (SBIOFDPG)	58,007.18	-	200.78	-	-	-
			<u>200.78</u>			<u>252.45</u>
Total Stock in trade (A+B+C)			<u>789.91</u>			<u>3,509.30</u>

*0.00 represents amounts less than 5,000



Edelcap Securities Limited

Notes to the financial statements (Continued)

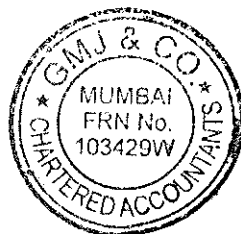
(Currency : Indian rupees in millions)

11 Trade receivables:

Particulars	31 March 2022	31 March 2021
Receivables considered good - Unsecured	0.18	0.24
Receivables considered good - Unsecured - Group	0.62	74.75
Receivables - Credit impaired	-	0.02
	0.80	75.01
Less : Allowance for expected credit losses	-	0.02
	0.80	74.99

Ageing of Trade receivables

Trade receivables days past due	Less than 6 months	6 months -1 year	1-2 years	Total
As at March 31, 2022				
Undisputed Trade receivables – considered good	0.80	-	-	0.80
Lease receivables	-	-	-	-
ECL provision	-	-	-	-
Net carrying amount	0.80	-	-	0.80
As at March 31, 2021				
Undisputed Trade receivables – considered good	75.01	-	-	75.01
Lease receivables	-	-	-	-
ECL provision	(0.02)	-	-	(0.02)
Net carrying amount	74.99	-	-	74.99



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

**12 Loans
at amortised cost:**

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured - Group	952.01	7.01
Unsecured	-	-
Total Gross	952.01	7.01
Less: Impairment loss allowance	(0.17)	-
Total (Net)	951.84	7.01
Loans in India		
Public Sectors	-	-
Others	952.01	7.01
Total Gross	952.01	7.01
Less: Impairment loss allowance	(0.17)	-
Total (Net)	951.84	7.01



Edelcap Securities Limited

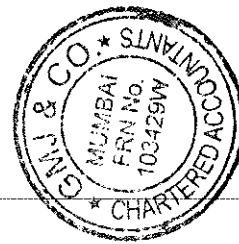
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

13 Investments

Particulars	31 March 2022				31 March 2021			
	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	-	-	2,384.39	2,384.39	-	-	2,384.39	2,384.39
Equity	-	-	2,384.39	2,384.39	-	-	2,384.39	2,384.39
Investments in associate companies	-	-	221.86	221.86	-	-	221.86	221.86
Equity	-	-	221.86	221.86	-	-	221.86	221.86
Preference shares (convertible)	-	-	123.88	123.88	-	-	123.88	123.88
Investments in Debt securities of other companies	-	3.87	-	3.87	-	3.87	-	3.87
TOTAL - Gross (A)	-	3.87	2,730.13	2,734.00	-	3.87	2,730.13	2,734.00
(i) Investments outside India	-	-	-	-	-	-	-	-
(ii) Investment in India	-	3.87	2,730.13	2,734.00	-	3.87	2,730.13	2,734.00
Total (B)	-	3.87	2,730.13	2,734.00	-	3.87	2,730.13	2,734.00
Less: Allowance for impairment (C)	-	-	-	-	-	-	-	-
Total Net (A-C)	-	3.87	2,730.13	2,734.00	-	3.87	2,730.13	2,734.00

*Note - Equity Investment of Rs 221.86 millions (Previous year Rs 221.86 million) is pledged against NCDs issued by group company

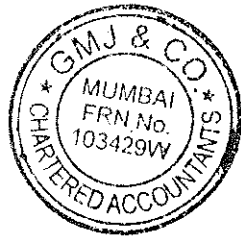


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022			As at 31 March 2021		
	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	2,384.39	10	3,02,58,333	2,384.39
Investments in equity instruments of associate companies (fully paid up)						
Carried at Cost						
Edelweiss Asset Reconstruction Company Limited	10	1,05,64,536	221.86	10	1,05,64,536	221.86
Investments in CCPS of other companies (fully paid up)						
Unquoted						
Carried at Cost						
Allium Finance Private Limited	10	9,91,056	123.88	10	9,91,056	123.88
Investments in debt instruments of other companies (quoted)						
Carried at Cost						
W. S. Industries (India) Limited	8,00,000	58	3.87	8,00,000	58	3.87
			2,734.00			2,734.00



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

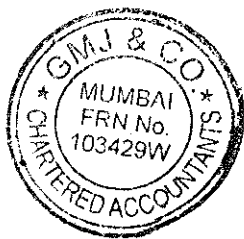
13 (a) investments measured at amortised cost

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 March 2022	31 March 2021
	Gross carrying amount	Gross carrying amount
	(Stage 1)	(Stage 1)
High grade	3.87	3.87
Standard grade	-	-
Individually impaired	-	-
Total	3.87	3.87

Reconciliation of gross carrying amount for investments measured at amortised cost

Particulars	31 March 2022	31 March 2021
	Gross carrying amount	Gross carrying amount
	(Stage 1)	(Stage 1)
Gross carrying amount - opening balance	3.87	3.87
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	3.87	3.87



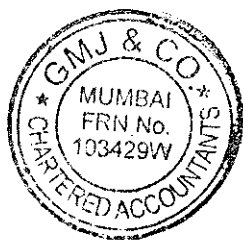
Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
14 Other financial assets		
(Unsecured, considered good)		
Deposits placed with/exchange/depositories	0.33	0.43
Deposits- others	0.27	0.24
Margin placed with broker	66.86	10.21
Dividend receivable*	0.00	0.00
Advances recoverable in cash or in kind or for value to be received (financial assets)	7.95	1.20
*0.00 represents amounts less than 5,000	<u>75.41</u>	<u>12.08</u>
15 Current tax assets (net)		
Advance income taxes (net of provision for tax)	45.65	41.41
	<u>45.65</u>	<u>41.41</u>
16 Deferred tax assets (net)		
Provision for non-performing, restructured and doubtful advances*	-	0.01
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	0.46	0.39
<u>Investments and other financial instruments</u>		
Unrealised loss on Derivatives	0.00	4.26
Fair valuation of investments and stock-in-trade	1.67	-
<u>Employee benefit obligations</u>		
Provision for leave accumulation	0.79	0.72
Disallowances under section 43B of the Income Tax Act, 1961	26.38	9.45
<u>Unused tax losses</u>		
Accumulated Losses	206.02	248.74
	<u>235.32</u>	<u>263.57</u>
Deferred tax liabilities		
<u>Investments and other financial instruments</u>		
Unrealised Gain On Derivatives	4.86	-
Fair valuation of investments and stock-in-trade*	-	3.15
	<u>4.86</u>	<u>3.15</u>
	<u>230.46</u>	<u>260.42</u>

*0.00 represents amounts less than 5,000



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

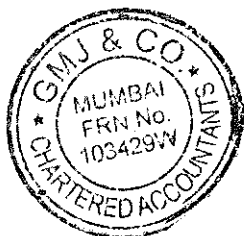
16.1 Income tax disclosure:

(a) The components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

Particulars	31 March 2022	31 March 2021
Adjustment in respect of current income tax of prior years	(3.46)	0.61
Deferred tax relating to origination and reversal of temporary differences	236.03	325.82
Deferred tax recognised on unused tax credit or unused tax losses	(206.02)	-233.19
Total tax charge	26.55	93.24
Current tax	(3.46)	0.61
Deferred tax	30.00	92.63

(b) Reconciliation of total tax charge

Particulars	31 March 2022	31 March 2021
Accounting profit before tax as per financial statements	104.16	-483.46
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	26.22	(121.69)
Adjustment in respect of current income tax of prior years	(3.46)	0.61
Effect of income not subject to tax:		
Others - Interest expenses on preference share- Group	-	128.77
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	(3.46)	(10.37)
Write-down of Minimum Alternate Tax credit which is not considered recoverable	-	36.45
Impact of tax rate changes	-	60.80
Others	7.24	(1.33)
Tax charge for the year recorded in P&L	26.55	93.24



Edelcap Securities Limited

Notes to the financial statements (Continued)

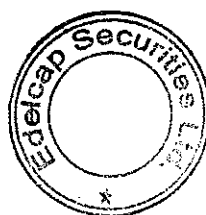
(Currency : Indian rupees in millions)

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 (2021-22)			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	0.39	0.06	-	0.06	0.46
Other investments (equity instruments)	4.39	-	-	-	4.39
Stock-in-trade	(7.54)	4.82	-	4.82	(2.72)
Trade receivable	0.01	(0.01)	-	(0.01)	-
Employee benefits obligations	10.17	16.95	0.05	17.00	27.17
Fair valuation of derivatives	4.26	(9.12)	-	(9.12)	(4.86)
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	248.74	(42.71)	-	(42.71)	206.02
Total	260.42	(30.01)	0.05	(29.96)	230.46

	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	0.86	(0.46)	-	(0.46)	0.39
Other investments (equity instruments)	4.39	-	-	-	4.39
Stock-in-trade	8.25	(15.79)	-	(15.79)	(7.54)
Trade receivable	0.02	(0.02)	-	(0.02)	0.01
Employee benefits obligations	8.21	(0.04)	2.00	1.96	10.17
Fair valuation of derivatives	101.03	(96.77)	-	(96.77)	4.26
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	191.83	56.90	-	56.90	248.74
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	36.46	(36.46)	-	(36.46)	-
Total	351.06	(92.64)	2.00	(90.65)	260.42



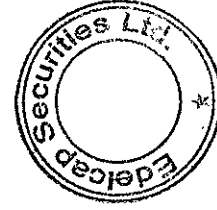
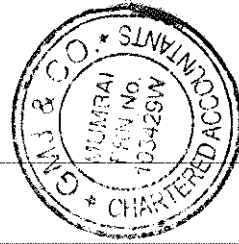
17 (a) Property, Plant and Equipment

Description of assets	Gross block			Depreciation			Net block As at 31 March 2022
	As at 1 April 2021	Additions during the year	Disposals during the year	As at 31 March 2022	Charge for the year	Disposals during the year	
Motor vehicles	1.14	-	1.14	-	0.93	0.96	-
Office equipments*	0.01	-	0.01	0.01	0.01	0.01	0.00
Computers	40.64	0.52	2.18	38.99	26.90	1.84	30.81
Total : A	41.79	0.52	3.32	38.99	27.84	2.81	30.81

(b) Other Intangible Assets

Description of assets	Gross block			Depreciation			Net block As at 31 March 2022
	As at 1 April 2021	Additions during the year	Disposals during the year	As at 31 March 2022	Charge for the year	Disposals during the year	
Computer software*	2.41	-	-	2.41	2.36	0.05	2.41
Total : B	2.41	-	-	2.41	2.36	0.05	2.41

*0.00 represents amounts less than 5,000



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

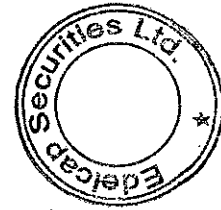
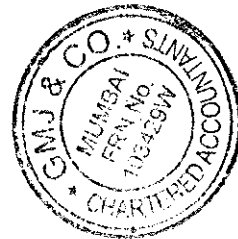
17 (a) Property, Plant and Equipment

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	Charge for the year	Disposals during the year	As at 31 Mar 2021	As at 31 Mar 2021
Motor vehicles	1.14	-	-	1.14	0.81	0.12	0.93	0.21
Office equipments	0.01	-	-	0.01	0.01	0.00	0.01	0.00
Computers	34.35	6.88	0.59	40.64	20.03	7.28	26.90	13.74
Total: A	35.50	6.88	0.59	41.79	20.86	7.40	27.84	13.95

(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	Charge for the year	Disposals during the year	As at 31 Mar 2021	As at 31 Mar 2021
Computer software	2.41	-	-	2.41	2.16	0.20	2.36	0.05
Total: B	2.41	-	-	2.41	2.16	0.20	2.36	0.05

*0.00 represents amounts less than 5,000



Edelcap Securities Limited

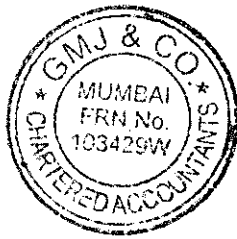
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
18 Other non-financial assets (Unsecured, considered good)		
Input tax credit	23.90	0.54
Advances to others	0.01	-
Prepaid expenses	5.58	6.47
Vendor advances	1.95	0.24
Advance to employee	0.45	0.31
Advances recoverable in cash or in kind or for value to be received (non-financial assets)	-	0.01
	<u>31.89</u>	<u>7.57</u>
19 Trade payables		
Trade payables from related parties	8.02	6.38
Trade payables - Others	5.52	6.73
	<u>13.54</u>	<u>13.11</u>
Outstanding for less than 1 year from due date of payment		
(i) MSME	0.65	-
(ii) Others	12.88	13.11
(iii) Disputed dues-MSME	-	-
(iv) Disputed dues-Others	-	-
	<u>13.53</u>	<u>13.11</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.

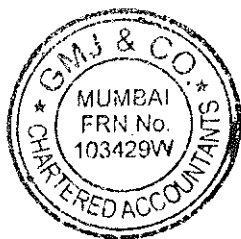


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
23 Current tax liabilities (net)		
Advance income taxes (net of provision for tax)	5.65	5.65
	<u>5.65</u>	<u>5.65</u>
24 Provisions		
Provision for employee benefits		
Gratuity	17.75	36.58
Compensated leave absences	3.12	3.75
	<u>20.87</u>	<u>40.33</u>
25 Other non-financial liabilities		
Withholding taxes, goods and service tax and other taxes payable	5.33	16.14
Others	0.10	0.94
	<u>5.43</u>	<u>17.08</u>



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
26 Equity share capital		
Authorised :		
500,000 (Previous year: 500,000) equity shares of Rs. 10 each	5.00	5.00
49,500,000 (Previous year: 49,500,000) preference shares of Rs. 10 each	495.00	495.00
	<u>500.00</u>	<u>500.00</u>
Issued, Subscribed and Paid up:		
300,000 (Previous year: 300,000) equity shares of Rs. 10 each	3.00	3.00
	<u>3.00</u>	<u>3.00</u>

Movement in share capital :

	31 March 2022		31 March 2021	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	3,00,000	3.00	3,00,000	3.00
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>3,00,000</u>	<u>3.00</u>	<u>3,00,000</u>	<u>3.00</u>

b. Terms/rights attached to equity shares :

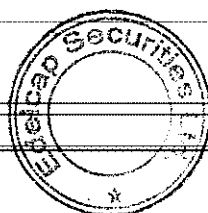
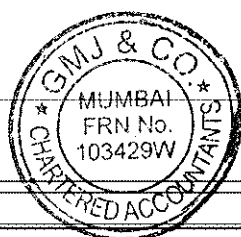
The Company has only one class of equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of 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 2022		As at 31 March 2021	
	No of shares	%	No of shares	%
Holding company, Promoter company				
Edel Land 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	3.61	3.61
Add : Additions during the year	-	-
	<u>3.61</u>	<u>3.61</u>
Opening balance	512.81	1,095.46
Add: Profit / (Loss) for the year	77.62	(576.72)
Add: ESOP reversal on lapse of vesting period	2.18	
Add: Other comprehensive income for the year	(0.14)	(5.93)
Amount available for appropriation	<u>592.46</u>	<u>512.81</u>
Appropriations:	-	-
	<u>596.07</u>	<u>516.41</u>

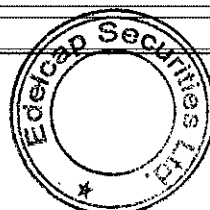
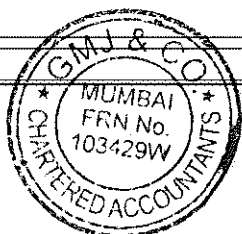


Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations		
28 Interest Income		
On financial assets measured at amortised cost		
Interest on Loans		
Interest income on loan to subsidiary companies (for non-finance company)	105.33	21.66
Interest on deposits with bank		
Interest income on fixed deposits	0.36	0.43
Investments		
On margin with brokers	1.55	9.57
Interest Income - WS Industries Limited	34.12	-
Interest Income - Others	0.01	-
On financial assets classified at fair value through profit or loss		
Interest income from Debt Instruments held as stock in trade	76.78	235.58
	218.15	267.24
29 Dividend income		
Dividend on stock in trade	0.88	9.86
	0.88	9.86
30 Fee income		
Advisory and other fees	0.49	0.60
	0.49	0.60
30.1 Particulars		
Service transferred at a point in time	0.49	0.60
Service transferred over time	-	-
Total revenue from contract with customers	0.49	0.60
31 Net gain on fair value changes		
Net gain on fair value changes		
On trading portfolio		
Investments		
Profit / (loss) on trading of securities (net)	(148.47)	(1,151.70)
Fair value gain - P&L - equity	(19.12)	26.56
Profit / (loss) on equity derivative instruments (net)	526.80	2,313.20
Profit on trading in currency derivative instruments (net)	69.79	167.98
Profit on interest rate derivative instruments (net)	(30.41)	(6.41)
	398.59	1,349.63
Fair value changes:		
- Realised	375.37	1,361.15
- Unrealised	23.22	(11.52)
Total net gain/loss on fair value changes	398.59	1,349.63
32 Other income		
Credit Balance Written Back	0.08	-
Profit on sale of fixed assets (net)	0.15	0.01
Foreign exchange gain	-	0.03
Interest income on income tax refund	0.56	0.24
Miscellaneous income	0.11	0.48
	0.90	0.76



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

For the year ended
31 March 2022

For the year ended
31 March 2021

33 Finance costs

On Financial liabilities measured at amortised cost

Interest on loan from fellow subsidiaries	49.90	213.41
Interest / dividend on preference shares	-	511.59
Financial and bank charges	0.06	0.04
Interest - others	0.50	8.38
Interest on shortfall in payment of Advance Income Tax	-	0.01
	<u>50.46</u>	<u>733.43</u>

34 Impairment on financial instruments

On trade receivables	-	0.02
On loans	0.17	-
	<u>0.17</u>	<u>0.02</u>

35 Employee benefit expenses

Salaries and wages	229.66	914.91
Contribution to provident and other funds	9.24	12.19
Expense on employee stock option scheme (ESOP)	(0.46)	0.98
Expense on Employee Stock Appreciation Rights	(2.07)	1.60
Staff welfare expenses	6.29	5.20
	<u>242.66</u>	<u>934.88</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



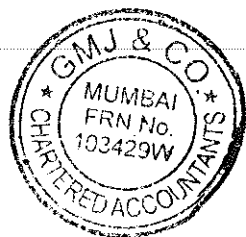
Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
36 Other expenses		
Advertisement and business promotion	0.36	-
Auditors' remuneration (refer note below)	1.10	1.00
Commission and brokerage	2.78	8.61
Communication	1.73	4.82
Computer expenses	73.58	6.09
Computer software	10.60	12.52
Clearing and custodian charges	37.53	108.42
Dematerialisation charges	0.02	0.09
Electricity charges	4.38	-
Foreign exchange loss (net)	0.04	-
Insurance	0.12	0.19
Legal and professional fees	8.81	4.51
Membership and subscription	7.50	6.39
Office expenses	0.71	38.81
Printing and stationery	0.14	0.44
Rates and taxes	0.04	0.02
Rent	16.69	38.41
Repairs and maintenance	0.08	0.11
ROC expenses*	0.00	-
Securities transaction tax	17.09	68.22
Seminar and conference*	0.00	0.02
Goods and service tax expenses	4.46	76.89
Stamp duty	2.10	6.10
Stock exchange expenses	20.40	47.69
Travelling and conveyance	3.41	4.39
Miscellaneous expenses*	0.00	0.02
Housekeeping and security charges	2.03	1.86
	215.73	435.62
36.1 Auditors' remuneration:		
As auditors	1.10	1.00
Others	-	-
	1.10	1.00

*0.00 represents amounts less than 5,000



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

36 Other expenses (continued)

36.2 Foreign currency transaction

The Company has incurred an amount of Rs. 4.88 millions (Previous year: Rs. 4.79 millions) in foreign currency towards market data service. Earning in foreign exchange Nil (Previous year: Nil).

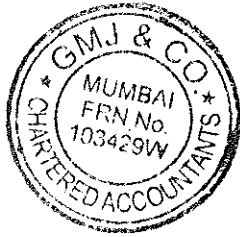
36.3 Cost sharing

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 in millions)

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

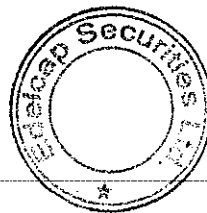
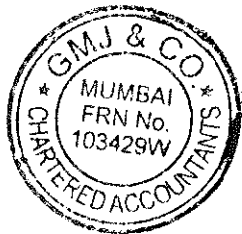
Income for each segment has been specifically identified. Expenditures, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic/resonable basis.

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 2022	For the year ended 31 March 2021
I	Segment revenue		
	a) Capital based business	105.39	21.66
	b) Agency business	0.49	0.60
	c) Treasury	512.57	1,605.57
	d) Unallocated	0.56	0.24
	Total	619.01	1,628.09
	Less : Inter segment revenue	-	-
	Total income	619.01	1,628.09
II	Segment results		
	a) Capital based business	42.35	(504.91)
	b) Agency business	0.20	0.16
	c) Treasury	61.55	21.04
	d) Unallocated	0.07	0.24
	Total	104.16	(483.46)
	Less : Provision for taxation	26.55	93.25
	(Loss)/Profit after taxation	77.62	(576.72)
III	Segment assets		
	a) Capital based business	3,685.48	2,737.48
	b) Agency business	0.11	0.01
	c) Treasury	925.04	4,842.12
	d) Unallocated	308.10	312.25
	Total	4,918.72	7,891.87
IV	Segment Liabilities		
	a) Capital based business	4,162.96	4,384.10
	b) Agency business	0.14	0.22
	c) Treasury	145.47	2,966.34
	d) Unallocated	11.08	21.79
	Total	4,318.65	7,372.46



Edelcap Securities Limited

Notes to the financial statements (continued)

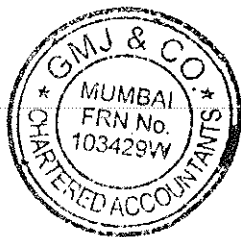
(Currency : Indian rupees in millions)

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) Edel Land 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 ECL Finance Limited Comtrade Commodities Services Ltd (Formerly Edelweiss Comtrade Limited) Edelweiss Tokio Life Insurance Company Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Management Limited Edelweiss Finvest Private Limited (merged with Edel Finance Company Limited) EC Commodity Limited (merged with Edel Land Limited w.e.f 25 March 2022) ECap Equities Limited (demerged with Edel Land Limited w.e.f 25 March 2022) Edelweiss Asset Reconstruction Company 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
Associate companies with whom transactions have taken place:	Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Custodial Services Limited Edelweiss Finance & Investments Limited
Key Management Personnel (with whom transactions have taken place)	Rituparna Burman Roy Sonal Deshpande Akshaya Mishra Ritesh Jain



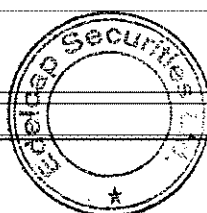
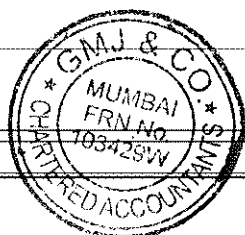
Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

38 ii Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended March 31, 2022	For the year ended March 31, 2021
	Capital account transactions during the year			
1	Short term loans taken from (Max. Debit / Credit)	Edel Land Limited Edelweiss Rural and Corporate Services Limited Edelweiss Retail Finance Limited	(823.50) (627.47) -	(1,617.00) - (2,410.00)
2	Short term loans taken from (Total Transaction)	Edel Land Limited Edelweiss Rural and Corporate Services Limited Edelweiss Retail Finance Limited	(5,757.09) (784.48) -	(44,138.66) - (2,610.00)
3	Short term loans repaid to (Max/ Debit / Credit)	Edel Land Limited Edelweiss Rural and Corporate Services Limited Edelweiss Retail Finance Limited	619.00 624.93 -	3,168.30 - 1,370.20
4	Short term loans repaid to (Total transaction)	Edel Land Limited Edelweiss Rural and Corporate Services Limited Edelweiss Retail Finance Limited	8,129.54 784.48 -	41,766.21 - 2,610.00
5	Short term loans given to (Max. Debit / Credit)	Edel Land Limited Edelweiss Rural and Corporate Services Limited	1,157.40 990.70	1,066.32 -
6	Short term loans given to (Total transaction)	Edel Land Limited Edelweiss Rural and Corporate Services Limited	2,514.04 4,963.72	5,669.05 -
7	Short term loans repaid by (Max. Debit / Credit)	Edel Land Limited Edelweiss Rural and Corporate Services Limited	(1,757.90) (852.53)	(1,572.20) -
8	Short term loans repaid by (Total Transaction)	Edel Land Limited Edelweiss Rural and Corporate Services Limited	(2,514.04) (4,019.26)	(6,114.21) -
9	Issue of preference share capital	Ecap Equities Limited Edel Land Limited	- 4,133.13	4,376.25 -
10	Sale Investment in Preference share capital	Edel Investments Limited	750.00	-
11	Redemption of Preference share capital	Edel Land Limited Edel Investments Limited	4,376.25 1,593.00	4,376.25 -
12	Margins placed with broker (Max. debit / Credit)	Edelweiss Custodial Services Limited Edel Investments Limited	1,233.77 12.56	854.07 -
13	Margins withdrawn from broker (Max. debit / Credit)	Edelweiss Custodial Services Limited Edel Investments Limited	(1,260.44) (12.65)	(984.14) -
14	Margin placed with broker (Total Debit)	Edelweiss Custodial Services Limited Edel Investments Limited*	12,856.00 0.00	32,320.60 -
15	Margin withdrawn from broker (Total credit)	Edelweiss Custodial Services Limited Edel Investments Limited*	(12,882.67) (0.00)	(32,190.52) -



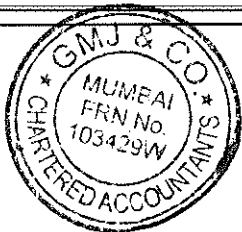
Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

38 ii Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended March 31, 2022	For the year ended March 31, 2021
	Current account transactions during the year			
16	Interest income on margin placed with	Edelweiss Custodial Services Limited	1.55	9.57
17	Interest income on group loan	Edel Land Limited Edelweiss Rural and Corporate Services Limited	57.97 47.36	21.66 -
18	Interest expense on loan from	Edel Land Limited Edelweiss Rural and Corporate Services Limited Edelweiss Retail Finance Limited	48.60 1.30 -	127.42 - 86.00
19	Interest income on Debt instruments	Edelweiss Rural and Corporate Services Limited Edel Land Limited	74.37 2.41	235.58 -
20	Interest expense on preference share capital	Edel Land Limited	-	511.59
21	Cost reimbursements paid to	Edelweiss Rural and Corporate Services Limited Edelweiss Financial Services Limited Edelweiss Broking Limited Edelweiss Alternative Asset Advisors Limited ECL Finance Limited Edelweiss Custodial Services Limited Edel Land Limited Edelweiss Securities Limited Edel Land Limited Edelweiss General Insurance company Limited	74.32 0.70 0.07 1.61 1.14 - 1.40 0.01 0.03 -	71.52 5.35 0.01 1.75 0.02 0.66 0.91 3.83 - 2.26
22	Reimbursements paid to	Edelweiss Rural and Corporate Services Limited	0.19	-
23	Cost reimbursements received from	Edelweiss Rural & Corporate Services Limited	-	3.03
24	ESOP and SAR expense paid to	Edelweiss Financial Services Limited	2.52	2.58
25	Sale of Fixed Asset to	Edel Land Limited Edelweiss Rural and Corporate Services Limited ECL Finance Limited* Edelweiss Finance and Investment Limited Edelweiss Asset Management Limited* Edelweiss Custodial Services Limited Edelweiss Broking Limited* Edel Land Limited* Edel Investments Limited	0.02 0.03 0.00 - - - 0.00 0.00 0.28	0.01 0.05 0.11 0.01 0.00 0.01 - - -
26	Purchase of Fixed Asset from	Edel Land Limited Edelweiss Rural and Corporate Services Limited Edel Land Limited* Edelweiss Gallagher Insurance Brokers Limited* Edel Investments Limited* Edelweiss Financial Services Limited* ECL Finance Limited Edelweiss Broking Limited* Edelweiss Securities Limited Edelweiss Finance and investment Limited	0.03 0.05 0.00 0.00 0.00 0.00 - - - -	0.05 0.04 - - - 0.00 1.56 0.00 0.07 0.01
28	Clearing charges, Demat and Trade exposure charges paid to	Edelweiss Custodial Services Limited	31.74	93.99
29	Brokerage paid to	Edelweiss Securities Limited Edel Investments Limited	4.60 0.86	24.84 -

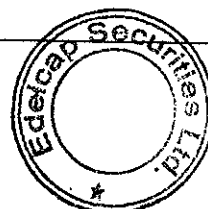
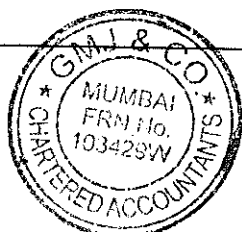


Edelcap Securities Limited
Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

38 ii Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended March 31, 2022	For the year ended March 31, 2021
30	Amt paid to broker for Cash segment	Edelweiss Securities Limited Edel Investments Limited	10,805.67 1.95	51,814.75 -
31	Amt received from broker for Cash segment	Edelweiss Securities Limited Edel Investments Limited	(1,2,398.18) (4.67)	(48,889.84) -
32	Sale of Debt securities	Edel Land Limited Edel Investments Limited Edel Land Limited Edel Land Limited Edelwies Rural & Corporate Services Limited	978.56 109.91 219.69 263.27 -	3,823.47 - 335.32 1,900.11 325.70
33	Purchase of Debt Securities	Edel Land Limited Edel Land Limited Edel Investments Limited Edel Land Limited Edelweiss Finvest Limited	270.33 276.88 220.84 110.75 -	1,763.93 445.14 - 3,282.56 563.93
34	Remuneration paid to	Rituparna Burman Roy Sonal Deshpande Akshaya Mishra Ritesh Jain	13.78 3.33 4.97 6.68	7.49 1.96 3.04 3.44
Balances with Related Parties				
35	Preference share capital issued to	ECap Equities Limited Edel Land Limited	- 4,133.13	4,376.25 -
36	Short term loans taken from	Edel Land Limited	-	2,372.45
37	Short term loans given to	Edelweiss Rural and Corporate Services Limited	944.46	-
38	Interest receivable on loans given to	Edelweiss Rural and Corporate Services Limited	7.55	7.01
39	Interest payable on loans taken from	Edelweiss Retail Finance Limited Edel Land Limited	- -	4.48 7.26
40	Interest receivable on debt instrument	Edelweiss Rural and Corporate Services Limited Edel Land Limited	4.62 6.19	- -
41	Trade payables to	Edel Land Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Financial Services Limited Edelweiss Rural and Corporate Services Limited Edelweiss Securities Limited Edel Investments Limited Edel Land Limited Edelweiss Custodial Services Limited	- 0.15 0.83 6.27 - 0.10 0.03 -	0.06 0.16 0.38 5.12 - - - 0.51
42	Other payable to	Edelweiss Finance and Investments Limited Edelweiss Financial Services Limited ECL Finance Limited Edel Investments Limited	- - 0.41 20.48	0.59 2.57 0.01 -
43	Other Receivable from	Edelweiss Financial Services Limited Edel Land Limited Edelweiss Finance and Investments Limited Edelweiss Rural and Corporate Services Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Securities Limited ECL Finance Limited Edel Investments Limited	4.59 0.03 - - - - 2.83 0.66	- 0.12 0.07 0.80 0.14 0.81 - -



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

(Currency : Indian rupees in millions)

38 ii Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	For the year ended March 31, 2022	For the year ended March 31, 2021
44	Trade receivables from	Edelweiss General Insurance Company Limited*	0.00	0.00
		Edelweiss Broking Limited	0.01	0.17
		Edelweiss Custodial Services Limited	0.35	-
		Edelweiss Rural and Corporate Services Limited	0.01	-
		Edelweiss Securities Limited	-	73.60
		Edelweiss Finance and Investments Limited	-	0.01
45	Investment in Debt securities	Edelweiss Rural and Corporate Services Limited	350.53	1,511.56
		Edel Land Limited	217.31	-
46	Investments in equity shares of	Edelweiss Retail Finance Limited	2,384.39	2,384.39
		Edelweiss Asset Reconstruction Company Limited	221.86	221.86
47	Investment in preference shares of	Allium Finance Private Limited	123.88	123.88
48	Margins placed with broker	Edelweiss Securities Limited	-	0.08
		Edel Investments Limited*	-	(0.00)
		Edelweiss Custodial Services Limited	99.25	220.30

*0.00 represents amounts less than 5,000

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 incremental amount given/taken and placed / refund received during the reporting period.

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

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



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

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 2022	31 March 2021
(a) Profit / (loss) after tax (as per statement of profit and loss)	77.62	(576.72)
Less: dividend on preference share capital	-	-
Net profit / (loss) for the year attributable to equity shareholders	77.62	(576.72)
(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)	258.71	(1,922.39)

40 Contingent liabilities and capital commitments

Contingent liabilities

The Company has pending taxation matters of Rs 3.40 millions/- as at balance sheet date (Previous year: Rs. 3.40 millions).

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. Nil).

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.

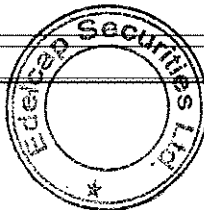
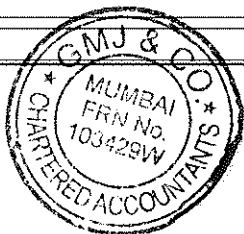
b) Approach to capital management

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 2022	31 March 2021
Total Debt	4,133.13	6,760.44
Equity	599.07	519.41
Net Debt to Equity	6.90	13.02



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

42 Disclosure pursuant to Indian Accounting Standard 19 - Employee benefits

a) Defined contribution plan (Provident fund):

Amount of Rs. 8.80 millions (Previous year: Rs. 11.99 millions) is recognised as expenses and included in "Employee benefit" – Note 35 in the statement of profit and loss.

b) Defined benefit plan - Gratuity

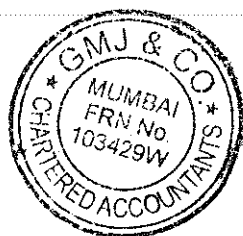
The following tables summarize the components of the net employee benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the Gratuity benefit plan.

Reconciliation of Defined Benefit Obligation (DBO)

	31 March 2022	31 March 2021
Present Value of DBO at Start of the year	36.58	22.58
<i>Service Cost</i>		
a. Current Service Cost	2.38	5.12
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Interest Cost	0.95	1.41
Benefits Paid	(4.72)	(1.80)
<i>Re-measurements</i>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	0.46	(1.55)
b. Actuarial Loss/(Gain) from changed in financials assumptions	(0.63)	2.02
c. Actuarial Loss/(Gain) from experience over last past year	0.35	7.46
Transfer In / (Out)	(17.63)	1.34
Present Value of DBO at end of the year	17.75	36.58

Reconciliation of Fair Value of Plan Assets

	31 March 2022	31 March 2021
Fair Value of Plan Assets at start of the year	-	-
<i>Contributions by Employer</i>	4.72	1.80
Benefits Paid	(4.72)	(1.80)
Interest Income Plan Assets	-	-
<i>Re-measurements</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	-	-
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Fair Value of Plan Assets at end of the year	-	-
<i>Actual Return on Plan Assets</i>		
<i>Expected Employer Contributions for the coming year</i>		



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

42 Disclosure pursuant to Indian Accounting Standard 19 - Employee benefits

Expenses recognised in the Profit and Loss Account

	31 March 2022	31 March 2021
<i>Service Cost</i>		
a.Current Service Cost	2.38	5.12
b.Past Service Cost	-	-
c.Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability / (asset)	0.95	1.41
Changes in foreign exchange rate		
Employer Expenses	3.33	6.53

Net Liability / (Asset) recognised in the Balance sheet

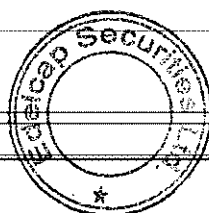
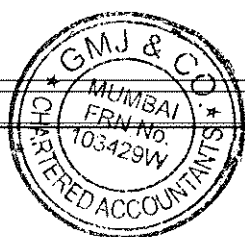
	31 March 2022	31 March 2021
Present Value of DOB	17.75	36.58
Fair Value of Plan Assets	-	-
Liability / (Asset) recognised in the Balance Sheet	17.75	36.58
Funded Status [Surplus/ (Deficit)]	(17.75)	(36.58)
Of which, Short term Liability	2.60	7.69
Experience Adjustment on Plan Liabilities:(Gain)/Loss	0.35	7.46

Percentage Break-down of Total Plan Assets

	31 March 2022	31 March 2021
Equity instruments	-	-
Debt instruments	-	-
Real estate	-	-
Derivatives	-	-
Investment Funds with Insurance Company	-	-
Of which, Unit Linked	-	-
Of which, Traditional/ Non-Unit Linked	-	-
Asset-backed securities	-	-
Structured debt	-	-
Cash and cash equivalents	-	-
Total	-	-

Actuarial assumptions:

	31 March 2022	31 March 2021
Salary Growth Rate (% p.a)	7% p.a	7% p.a
Discount Rate (% p.a)	5.9% p.a	5% p.a
Interest Rate on Net DBO / (Asset) (%)	5% p.a	5.9% p.a
Withdrawal Rate (% p.a)	16% p.a	25% p.a
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Weighted average during of the obligation	4 Years	3 Years



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

42 Disclosure pursuant to Indian Accounting Standard 19 - Employee benefits

Movement in Other Comprehensive Income

	31 March 2022	31 March 2021
Balance at start of year (Loss)/ Gain	(9.55)	(1.62)
<i>Re-measurements on DBO</i>		
a.Actuarial Loss/(Gain) from changes in demographic assumptions	(0.46)	1.55
b.Actuarial Loss/(Gain) from changed in financials assumptions	0.63	(2.02)
c.Actuarial Loss/(Gain) from experience over last past year	(0.35)	(7.46)
<i>Re-measurements on Plan Assets</i>	-	-
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	-	-
Balance at end of year (Loss)/ Gain	(9.74)	(9.55)

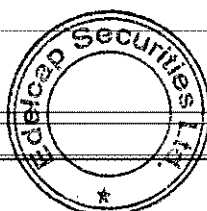
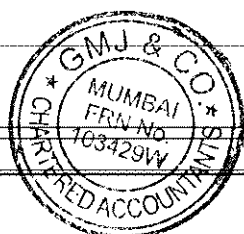
Sensitivity Analysis

DOB increases / (decreases) by	31 March 2022	31 March 2021
1 % Increase in Salary Growth Rate	1.01	1.52
1 % Decrease in Salary Growth Rate	(1.03)	(1.46)
1 % Increase in Discount Rate	(1.03)	(1.48)
1 % Decrease in Discount Rate	1.04	1.56
1 % Increase in Withdrawal Rate	(0.06)	(0.12)
1 % Decrease in Withdrawal Rate	0.06	0.13
Mortality (Increase in expected lifetime by 1 year)	1	2
Mortality (Increase in expected lifetime by 3 year)	3	5

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

Movement in Surplus / (Deficit)

	31 March 2022	31 March 2021
Surplus / (Deficit) at start of year	(36.58)	(22.58)
Net (Acquisition) / Divestiture	-	-
Net Transfer (In)/ Out	17.63	(1.34)
<i>Movement during the year</i>		
Current Service Cost	(2.38)	(5.12)
Past Service Cost	-	-
Net interest on net DBO	(0.95)	(1.41)
Changes in foreign exchange rate	-	-
Re-measurements	(0.19)	(7.93)
Contributions / Benefits	4.72	1.80
Surplus / (Deficit) at end of year	(17.75)	(36.58)



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

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.

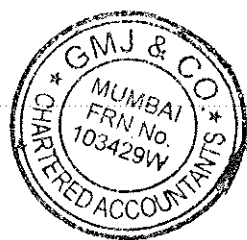
As at 31 March 2022	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	13.53	-	-	-	-	13.53
Subordinated financial liabilities	-	4,133.13	-	-	-	4,133.13
Other financial liabilities	141.04	-	-	-	-	141.04
Total undiscounted non-derivative financial liabilities	154.57	4,133.12	-	-	-	4,287.70

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	13.11	-	-	-	-	13.11
Borrowing (other than debt securities)	-	2,384.19	-	-	-	2,384.19
Subordinated financial liabilities	-	4,376.25	-	-	-	4,376.25
Other financial liabilities	535.85	-	-	-	-	535.85
Total undiscounted non-derivative financial liabilities	548.96	6,760.44	-	-	-	7,309.40

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 2022	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	11.67	6.45	-	-	-	18.11
Stock-in-trade	789.92	-	-	-	-	789.92
Trade Receivables - Others	0.80	-	-	-	-	0.80
Loans	951.84	-	-	-	-	951.84
Investments at fair value through profit or loss	3.87	-	-	-	-	3.87
Investments	-	123.88	-	-	2,606.25	2,730.13
Other financial assets	87.83	0.09	0.60	-	-	88.52
Total	1,845.92	130.42	0.60	-	2,606.25	4,583.19



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

43 Liquidity risk:

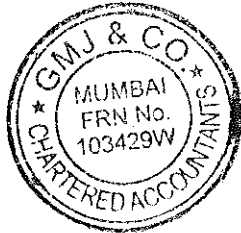
As at 31 March 2021	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	9.88	7.32	-	-	-	17.20
Stock-in-trade	3,256.85	252.45	-	-	-	3,509.30
Trade Receivables - Others	74.99	-	-	-	-	74.99
Loans	7.01	-	-	-	-	7.01
Investments at fair value through profit or loss	-	-	-	-	3.87	3.87
Investments	-	-	-	-	2,730.13	2,730.13
Other financial assets	241.33	1.20	0.68	-	-	243.21
Total	3,590.06	260.97	0.68	-	2,733.99	6,585.71

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 2022	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	19.35	-	-	-	-	19.35
Total	19.35	-	-	-	-	19.35

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	982.76	-	-	-	-	982.76
Total	982.76	-	-	-	-	982.76



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

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 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	55.37	-	-	55.37
Total derivative financial instruments (assets)	55.37	-	-	55.37
Stock-in-trade				
Other debt securities and preference shares	578.65	-	-	578.65
Mutual fund units	200.78	-	-	200.78
Equity instruments	10.48	-	-	10.48
Total stock-in-trade	789.92	-	-	789.92
Investments				
Units of AIF	-	-	-	-
Equity instruments	-	-	-	-
Total investments measured at fair value	-	-	-	-
Total financial assets measured at fair value on a recurring basis	845.29	-	-	845.29

Particulars	31 March 2022			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Derivative financial instruments (Liabilities):				
Exchange-traded derivatives	36.02	-	-	36.02
Total derivative financial instruments (liabilities)	36.02	-	-	36.02



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

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	1,217.36	7.14	-	1,224.50
Total derivative financial instruments (assets)	1,217.36	7.14	-	1,224.50
Stock-in-trade				
Other debt securities and preference shares	1,511.56	-	-	1,511.56
Mutual fund units	252.45	-	-	252.45
Equity instruments	1,745.29	-	-	1,745.29
Total stock-in-trade	3,509.30	-	-	3,509.30
Investments				
Units of AIF	-	-	-	-
Equity instruments	-	-	-	-
Total investments measured at fair value	-	-	-	-
Total financial assets measured at fair value on a recurring basis	4,726.67	7.14	-	4,733.81

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	240.87	0.87	-	241.74
Total derivative financial instruments (liabilities)	240.87	0.87	-	241.74

Fair valuation techniques:

(i) Equity instruments and units of Alternative Investment Funds

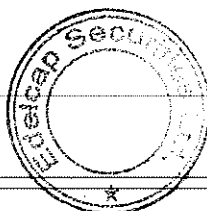
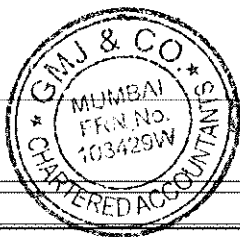
The majority of equity instruments are actively traded on recognized stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. 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) Debt securities

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

(iii) Derivatives

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



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

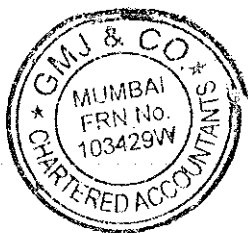
44 Fair values of financial instruments (continued)

(c) 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 2022				
	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalent	10.79	10.79	10.79	-	-
Bank balances other than cash and cash equivalent	7.32	7.32	7.32	-	-
Trade receivables	0.80	0.80	-	0.80	-
Loans	951.84	951.84	-	951.84	-
Investments at amortised cost	3.87	3.87	-	3.87	-
Investments at cost	2,730.13	2,730.13	-	2,730.13	-
Other financial assets	75.41	142.27	66.86	75.41	-
Total	3,780.16	3,847.02	84.97	3,762.04	-
Financial liabilities:					
Trade payables	13.53	13.53	-	13.53	-
Subordinated liabilities - Group	4,133.13	4,133.13	-	4,133.13	-
Other financial liabilities	141.04	141.04	-	141.04	-
Total	4,287.70	4,287.70	-	4,287.70	-

Particulars	31 March 2021				
	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
Financial assets:					
Cash and cash equivalent	9.88	9.88	9.88	-	-
Bank balances other than cash and cash equivalent	7.32	7.32	7.32	-	-
Trade receivables	74.99	74.99	-	74.99	-
Loans	7.01	7.01	-	7.01	-
Investments at amortised cost	3.87	3.87	-	3.87	-
Investments at cost	2,730.13	2,730.13	-	2,730.13	-
Other financial assets	12.09	12.09	10.21	1.88	-
Total	2,845.29	2,845.29	27.41	2,817.88	-
Financial liabilities:					
Trade payables	13.11	13.11	-	13.11	-
Borrowing (other than debt securities)	2,384.19	2,384.19	-	2,384.19	-
Subordinated liabilities	4,376.25	4,376.25	-	4,376.25	-
Other financial liabilities	535.85	535.85	-	535.85	-
Total	7,309.40	7,309.40	-	7,309.40	-



Edelcap Securities Limited

Notes to the financial statements (Continued)

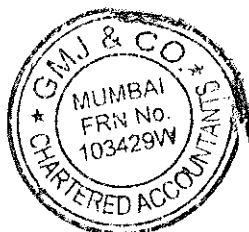
(Currency : Indian rupees in millions)

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 2022			31 March 2021		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	18.11	-	18.11	17.20	-	17.20
Derivative financial instruments	32.47	32.47	-	1,213.89	1,213.89	-
Stock-in-trade	789.92	789.92	-	3,509.30	3,509.30	-
Loans	951.84	-	951.84	7.01	-	7.01
Trade receivables	0.80	-	0.80	74.99	-	74.99
Investments at cost	2,730.12	-	2,730.12	2,730.13	-	2,730.13
Investments - at amortised cost	3.87	-	3.87	3.87	-	3.87
Other financial assets	75.41	66.86	8.55	12.09	10.21	1.88
Total	4,602.54	889.24	3,713.29	7,568.47	4,733.40	2,835.07
Liability						
Borrowings (other than Debt Securities)	-	-	-	2,384.19	-	2,384.19
Subordinated liabilities	4,133.13	-	4,133.13	4,376.25	-	4,376.25
Trade payables	13.53	-	13.53	13.11	-	13.11
Other financial liabilities	141.04	-	141.04	535.85	-	535.85
Total	4,287.71	-	4,287.71	7,309.40	-	7,309.40



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

46 Analysis of risk concentration

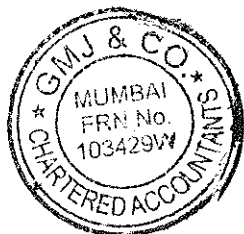
Industry analysis - Risk concentration for 31 March 2022

Particulars	Financial services	Logistics	Information Technology	Construction	Manufacturing	Tele - Communications	Electronics	Total
Financial assets								
Cash and cash equivalent and other bank balances	18.11	-	-	-	-	-	-	18.11
Derivative financial instruments	32.47	-	-	-	-	-	-	32.47
Financial assets carried at amortised cost	-	-	-	-	3.87	-	-	3.87
Investment	2,730.13	-	-	-	-	-	-	2,730.13
Stock in trade*	779.44	-	10.47	-	-	-	0.00	789.91
Trade and other receivables	0.80	-	-	-	-	-	-	0.80
Loans	951.84	-	-	-	-	-	-	951.84
Other financial assets	75.41	-	-	-	-	-	-	75.41
Total	4,588.20	-	10.47	-	3.87	-	0.00	4,602.54
Other Commitments	-	-	-	-	-	-	-	-
Total	4,588.20	-	10.47	-	3.87	-	0.00	4,602.54

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	17.20	-	-	-	-	-	-	17.20
Derivative financial instruments	1,213.89	-	-	-	-	-	-	1,213.89
Financial assets carried at amortised cost	-	-	-	-	3.87	-	-	3.87
Investment	2,730.13	-	-	-	-	-	-	2,730.13
Stock in trade	2,776.89	105.36	367.30	60.97	128.88	69.90	-	3,509.30
Trade receivables	74.99	-	-	-	-	-	-	74.99
Loans	7.01	-	-	-	-	-	-	7.01
Other financial assets	12.09	-	-	-	-	-	-	12.09
Total	6,832.19	105.36	367.30	60.97	132.75	69.90	-	7,568.47
Other Commitments	-	-	-	-	-	-	-	-
Total	6,832.19	105.36	367.30	60.97	132.75	69.90	-	7,568.47

0.00 represents amounts less than 5,000



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

47 Disclosure related to collateral

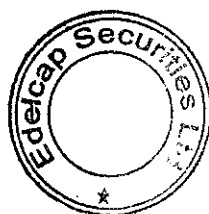
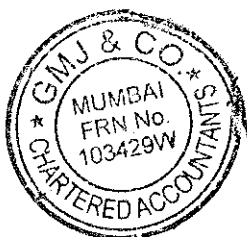
Following table sets out availability of Company financial assets to support funding

31 March 2022	Pledge as collateral	others 1 ¹	Available as collateral	others 2 ²	Total carrying amount
Cash and cash equivalents including bank balance	7.18	-	-	10.93	18.10
Stock in trade	779.10	-	-	10.82	789.92
Trade receivables	-	-	0.80	-	0.80
Derivative assets	-	-	-	32.47	32.47
Loans	-	-	-	951.84	951.84
Investments	221.86	-	2,508.28	3.87	2,734.00
Other financial assets	0.60	-	-	74.81	75.41
Property, plant and equipment	-	-	-	8.18	8.18
Other Intangible assets	-	-	-	0.00	0.00
Other non financial assets	-	-	-	31.89	31.89
Total assets	1,008.73	-	2,509.08	1,124.80	4,642.61

31 March 2021	Pledge as collateral	others 1 ¹	Available as collateral	others 2 ²	Total carrying amount
Cash and cash equivalent including bank balance	7.18	-	-	10.03	17.20
Stock in trade	1,511.56	-	1,997.74	-	3,509.30
Trade receivables	-	-	74.99	-	74.99
Derivative assets	-	-	-	1,213.89	1,213.89
Loans	-	-	-	7.01	7.01
Investments	221.86	-	2,508.27	3.87	2,733.99
Other financial assets	0.68	-	-	11.72	12.40
Property, plant and equipment	-	-	-	13.95	13.95
Other Intangible assets	-	-	-	0.05	0.05
Other non financial assets	-	-	-	7.26	7.26
Total assets	1,741.28	-	4,581.00	1,267.77	7,590.04

¹ Represents assets which are not pledged and Company believes it is restricted from using to secure funding for legal or other reason.

² Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business.



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

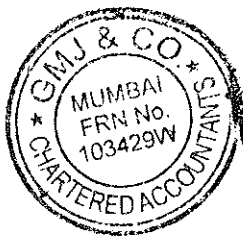
(Currency : Indian rupees in millions)

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 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	10.79	-	10.79	9.88	-	9.88
Other bank balances	7.32	-	7.32	7.32	-	7.32
Derivative financial instruments	32.47	-	32.47	1,213.89	-	1,213.89
Stock-in-trade	789.91	-	789.91	3,509.30	-	3,509.30
Other receivables	0.80	-	0.80	74.99	-	74.99
Loans	951.84	-	951.84	7.01	-	7.01
Investments	127.75	2,606.26	2,734.00	-	2,733.99	2,733.99
Other financial assets	74.81	0.60	75.41	11.41	0.68	12.09
	1,995.69	2,606.85	4,602.54	4,833.79	2,734.67	7,568.47
Non-financial assets						
Current tax assets (net)	3.19	42.45	45.65	6.09	35.33	41.41
Deferred tax assets (net)	-	230.46	230.46	-	260.42	260.42
Property, plant and equipment	-	8.18	8.18	-	13.95	13.95
Other intangible assets	-	0.00	0.00	-	0.05	0.05
Other non-financial assets	31.89	-	31.89	7.57	-	7.57
	35.08	281.10	316.18	13.66	309.74	323.40
Total assets	2,030.77	2,887.95	4,918.72	4,847.45	3,044.42	7,891.87

Particulars	31 March 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Other payables	13.53	-	13.53	13.11	-	13.11
Borrowing (other than debt securities)	-	-	-	2,384.19	-	2,384.19
Subordinated Liabilities	4,133.13	-	4,133.13	4,376.25	-	4,376.25
Other financial liabilities	141.04	-	141.04	535.84	-	535.84
	4,287.70	-	4,287.70	7,309.39	-	7,309.39
Non-financial liabilities						
Current tax liabilities (net)	5.65	-	5.65	5.65	-	5.65
Provisions	3.10	17.77	20.87	8.60	31.74	40.34
Other non-financial liabilities	5.43	-	5.43	17.08	-	17.08
	14.18	17.77	31.95	31.33	31.74	63.07
Total liabilities	4,301.88	17.77	4,319.65	7,340.73	31.74	7,372.47



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

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.

Currency of borrowing / advances	2021-22					
	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	(116.27)	0	5	116.27	

Currency of borrowing / advances	2020-21					
	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	-	

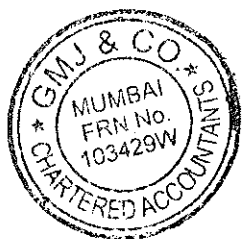
(ii) Currency risk

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).

Currency	2021-22					
	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	(54.77)		5	54.77	

Currency	2020-21					
	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	(169.17)		5	169.17	



Edelcap Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

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.

Impact on	2021-22					
	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	-		5	-	
Mutual fund units	5	10.04		5	(10.04)	
Equity instruments	5	0.52		5	(0.52)	
Debt instruments	5	28.93		5	(28.93)	

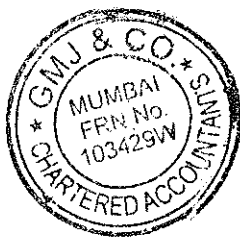
Impact on	2020-21					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	(87.42)		5	87.42	
Mutual fund units	5	12.62		5	(12.62)	
Equity instruments	5	87.26		5	(87.26)	
Debt instruments	5	73.37		5	(73.37)	

(iv) Index price risk

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

Impact on	2021-22					
	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	(7.87)	-	5	7.87	-

Impact on	2020-21					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	63.67	-	5	(63.67)	-



Edelcap Securities Limited

Notes to the financial statements (continued)

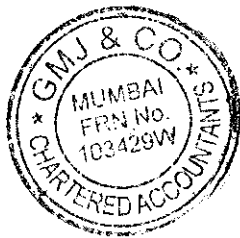
(Currency : Indian rupees in millions)

50 Cash flow disclosure

Change in liabilities arising from financing activities

Particulars	1 April 2021	Cash flows	Changes in fair values	Others	31 March 2022
Borrowings other than debt securities	2,384.19	(2,372.45)	-	(11.74)	-
Subordinated liabilities	4,376.25	(243.12)	-	-	4,133.13
Total liabilities from financing activities	6,760.44	(2,615.56)	-	(11.74)	4,133.13

Particulars	1 April 2020	Cash flows	Changes in fair values	Others	31 March 2021
Borrowings other than debt securities	-	2,372.45	-	11.74	2,384.19
Subordinated liabilities	3,864.66	-	-	511.59	4,376.25
Total liabilities from financing activities	3,864.66	2,372.45	-	523.33	6,760.44



Edelcap Securities Limited

Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

51 Other Disclosures

(i) Relationship with Struck off Companies

Below are the transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of the struck off company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any, to be disclosed	Balance outstanding as on March 31, 2022	Balance outstanding as on March 31, 2021
S.K.R Infotech	Payable	None	-	-
Kamal Enterprises	Payable	None	-	-
Shams Cable Network*	Payable	None	0.00	-
Total			0.00	-

*0.00 represents amounts less than 5,000

- (ii) During the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) During the year, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

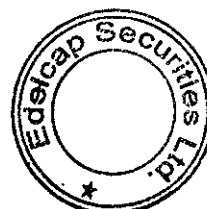
(iv) Disclosure of Ratios

Sr. No.	Particulars	March 31,2022	March 31,2021
1	Total debts to total assets ^(refer note 1)	0.84	0.86
2	Net profit margin (%) ^(refer note 2)	12.54%	-35.42%

1. Total debts to total assets = Total Debt / Total assets

2. Net profit margin (%) = Net profit after tax / Total Income

3. Current ratio, Long term debt to working capital, Bad Debts to account receivables ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%), Debt Service Coverage Ratio are not applicable owing to the business model of the Company.



Edelcap Securities Limited

Notes to the financial statements (continued)


(Currency : Indian rupees in millions)

52 Prior period comparatives

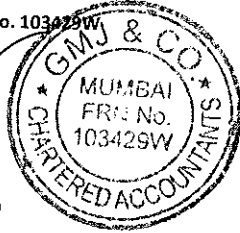
Previous year's figures have been regrouped and rearranged wherever necessary to conform to current year's presentation

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
16 May 2022

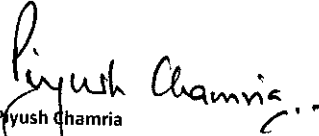



For and on behalf of Board of Directors


Rituparna Barman Roy
Executive Director
DIN - 08050620


Ritesh Jain
Chief Financial Officer

Mumbai
16 May 2022


Piyush Chamria
Executive Director
DIN - 68814424


Akshaya Mishra
Company Secretary

