

Independent Auditors' Report

To
The Members of ECap Equities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **ECap Equities Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

B - 46, 3rd Floor, Pravasi Estate, V N Road, Goregaon (E), Mumbai - 400 063.

Tel.: +91. 22. 4217 3337 | Email: info@ngsco.in

www.ngsco.in



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31 March 2015, and its profit and its cash flows for the year ended on that date.

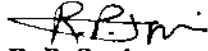
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
 - e. on the basis of written representations received from the Directors as on 31 March 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015, from being appointed as a director in terms of section 164(2) of the Act;
 - f. 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, 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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;



iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W



R. P. Soni

Partner

Membership No.: 104796



Place: Mumbai

Date: 14 May 2015

Annexure to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of ECap Equities Limited ('the Company') on the financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) As explained to us, the fixed assets have been physically verified by the management during the year as per the phased programme, designed to cover all the items 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.
- (ii) (a) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities and warehouse receipts in respect of commodities held as inventory at reasonable intervals during the year.
- (b) The procedures for physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records in respect of inventories. No material discrepancies have been noticed on physical verification of stock in trade.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, we have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, wealth tax, service tax, sales tax, value added tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, duty of excise and duty of custom.



According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, wealth tax, service tax, sales tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 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 wealth tax, service tax, sales tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax on account of dispute, is as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	38,652,160	A.Y.2012-13	CIT (A)

- (c) According to the information and explanation given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, the Company does not owe any dues to a financial institution, bank or debenture holders. Accordingly, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2015 are not applicable to the Company.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, no term loan has been taken by the Company during the previous financial year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: 14 May 2015

ECap Equities Limited

Balance Sheet

(Currency : Indian Rupees)

	Note	As at 31 March 2015	As at 31 March 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	38,400,000	38,400,000
Reserves and surplus	2.2	<u>2,146,100,743</u>	<u>1,666,136,598</u>
		2,184,500,743	1,704,536,598
Non-current liabilities			
Long-term provisions	2.3	20,695,295	1,333,845
Current liabilities			
Short-term borrowings	2.4	11,755,284,401	8,566,502,302
Trade payables		1,339,038,359	612,100,643
Other current liabilities	2.5	193,135,591	263,890,746
Short-term provisions	2.6	<u>32,932,601</u>	<u>1,108,051</u>
		13,320,390,952	9,443,601,742
TOTAL		<u>15,525,586,990</u>	<u>11,149,472,185</u>
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.7	2,147,210	605,205
Intangible assets	2.7	4,902,650	7,438,921
Capital work-in-progress		14,833,716	2,406,672
Non-current investments	2.8	4,677,512,237	24,409,000
Deferred tax assets (net)	2.9	18,948,599	1,070,471
Long-term loans and advances	2.10	131,342,860	1,657,053,251
Other non-current assets	2.11	-	217,967
		4,849,687,272	1,693,201,487
Current assets			
Current investments	2.12	798,911,105	8,132,657
Stock-in-trade	2.13	8,571,611,198	5,955,657,882
Trade receivables	2.14	165,908,951	191,743,140
Cash and bank balances	2.15	641,653,846	2,337,680
Short-term loans and advances	2.16	165,124,680	1,931,095,120
Other current assets	2.17	<u>332,689,938</u>	<u>1,367,304,219</u>
		10,675,899,718	9,456,270,698
TOTAL		<u>15,525,586,990</u>	<u>11,149,472,185</u>

Significant accounting policies and notes to the financial statements

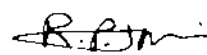
1 & 2

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



R. P. Soni
Partner

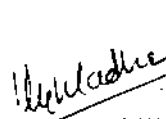
Membership No.: 104796

Mumbai

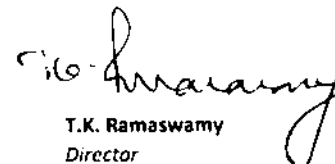
14 May 2015



For and on behalf of the Board of Directors



Umesh Wadhwa
Director
DIN: 05157099



T.K. Ramaswamy
Director
DIN: 05158707

ECap Equities Limited

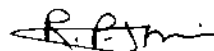
Statement of Profit and Loss

(Currency : Indian Rupees)

	Note	For the year ended 31 March 2015	For the year ended 31 March 2014
Revenue from operations			
Fee and commission income	2.18	8,493,725	26,291,274
Income from treasury operations and investments	2.19	486,214,931	284,244,562
Interest income	2.20	1,346,803,828	776,871,354
Sale of commodities		1,378,744,084	44,059,439
Other income	2.21	8,886	34,120
Total revenue		3,220,265,454	1,131,500,749
Expenses			
Purchases of commodities		1,540,775,274	47,407,196
Employee benefit expenses	2.22	189,694,741	38,224,829
Finance costs	2.23	849,435,675	589,315,198
Depreciation and amortisation	2.7	3,360,990	2,028,934
Other expenses	2.24	150,521,661	223,681,032
Total expenses		2,733,788,341	900,657,189
Profit before tax		486,477,113	230,843,560
Tax expense:			
Income tax		24,391,096	30,568,910
MAT credit entitlement		-	(26,980,503)
Deferred tax		(17,878,128)	1,483,100
Profit for the year		479,964,145	225,772,053
Earnings per equity share:			
Basic and diluted (face value of Rs. 10 each)	2.27	1,999.85	940.72
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.

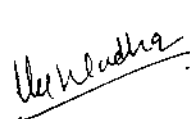
For NGS & Co.LLP
Chartered Accountants
Firm Registration No.: 119850W



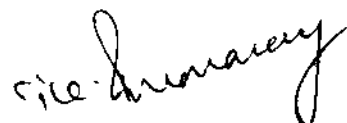
R. P. Soni
Partner
Membership No.: 104796
Mumbai
14 May 2015



For and on behalf of the Board of Directors



Umesh Wadhwa
Director
DIN: 05157099



T.K. Ramaswamy
Director
DIN: 05158707

ECap Equities Limited

Cash Flow Statement

(Currency: Indian Rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
A Cash flow from operating activities		
Profit before taxation	486,477,113	230,843,560
Adjustments for		
Depreciation and amortisation	3,360,990	2,028,934
Provision for doubtful debts/bad debts written-off	529	(722,592)
Compensated absences/deferred bonus	912,000	(973,761)
Profit on sale of Investments	(166,717)	-
Dividend on investment	(2,583,066)	(3,603)
Profit from partnership firm	(36,424,415)	(5,613,861)
Interest income	(1,285,437,879)	(219,281,152)
Interest expense	806,186,418	550,958,424
Operating cash flow before working capital changes	(27,675,027)	557,235,949
Adjustments for working capital changes		
Increase in inventories	(2,615,953,316)	(3,174,175,943)
Decrease/(increase) in trade receivable	25,833,658	(47,360,554)
Decrease/(increase) in loans and advances	1,814,370,714	(1,040,378,827)
Decrease/(increase) in other assets	48,300,235	(733,691)
Decrease/(increase) in margin placed for trading of securities	1,196,545,298	(408,281,590)
Increase in liabilities and provisions	797,206,158	234,137,858
Cash generated from / (used in) operations	1,233,627,720	(3,779,556,798)
Income tax paid	(46,880,977)	(61,679,200)
Net cash generated from / (used in) operating activities - A	1,186,746,743	(3,841,235,998)
B Cash flow from Investing activities		
Purchase of investments (net)	(5,407,285,112)	(10,664,467)
Purchase of fixed assets	(14,793,769)	(4,361,885)
Interest received	1,075,742,943	211,998,200
Dividend received	2,370,665	3,603
Proceeds from repayment of inter-corporate deposits	-	30,232,971
Deposit placed in escrow account (refer note 2.36)	(627,123,966)	-
Proceeds from repayment of loans (net) (refer note 2)	1,500,000,000	300,000,000
Paid to Edelcap Securities Limited on account of demerger	(4,09,464,831)	(244,497,467)
Net cash (used in)/generated from Investing activities - B	(3,580,554,070)	282,710,955
C Cash flow from financing activities		
Proceeds from unsecured loans (net) (refer note 2)	3,186,782,099	4,078,262,205
Proceeds from issue of share capital	-	18,000,000
Interest paid	(782,792,424)	(537,812,278)
Net cash generated from financing activities - C	2,403,989,675	3,558,449,927
Net increase/(decrease) in cash and cash equivalents (A+B+C)	12,182,348	(75,116)
Cash and cash equivalents as at the beginning of the year	2,157,680	2,232,796
Cash and cash equivalents as at the end of the year (refer note 1)	14,340,028	2,157,680
1 Cash and cash equivalents include the following: (refer note 2.15)		
Balances with scheduled banks:		
In current accounts	14,340,028	2,157,680
Cash and cash equivalents	14,340,028	2,157,680
2 Net figures have been reported on account of volume of transactions.		

As per our report of even date attached.

For NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119350W
R. P. Sani
Partner
Membership No.: 104796



Mumbai
14 May 2015

For and on behalf of the Board of Directors

Umesh Wadhwa
Umesh Wadhwa
Director
DIN: 05157099

T.K. Ran. aswamy
T.K. Ran. aswamy
Director
DIN: 05158707

ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015

1. Significant accounting policies

1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014, the provisions of the Companies Act, 2013 (to the extent notified), provisions of the Companies Act, 1956 (to the extent applicable) (hereinafter together referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian rupees.

1.2 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on date of the financial statement. Actual results could differ from the estimates. Any revision to the accounting estimates is recognised prospectively in current and future periods.

1.3 Current-non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. It is held primarily for the purpose of being traded;
- c. It is expected to be realized within 12 months after the reporting date; or
- d. It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. It is expected to be settled in the company's normal operating cycle.
- b. It is held primarily for the purpose of being traded;
- c. It is due to be settled within 12 months after the reporting date; or
- d. The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

1. Significant accounting policies (continued)

1.4 Revenue recognition

- Fee income including advisory fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Brokerage income on securities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers.
- Income from treasury operations comprises of profit/loss on sale of securities, profit/loss on equity derivatives, commodity derivatives and currency derivative instruments.
 - i) Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - ii) Realised profit/ loss on closed positions of derivative instruments are recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- Profit / loss from share in partnership firm is accounted for once the amount of the share of profit / loss is ascertained and credited / debited to the Company's account in the books of the partnership firm.
- Sale of commodity is recognized when all the significant risks and rewards have been passed to the buyer.

1.5 Impairment of 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 to 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.

1.6 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in statement of profit and loss of the year.



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 *(continued)*

1. Significant accounting policies *(continued)*

1.6 Foreign currency transactions *(continued)*

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

Non-monetary assets and liabilities are carried at historical cost using exchange rates on the date of the transaction.

1.7 Stock-in-trade

- The securities acquired with the intention of short-term holding and as trading positions are considered as stock-in-trade and disclosed as current assets.
- The securities held as stock-in-trade are valued at lower of weighted average cost or market value. In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- Stock-in-trade in the form of commodities are valued at cost or net realisable value, whichever is lower.
- Debt instruments are valued at cost or fair value whichever is lower. In case of debt instruments for which direct quotes are not available, they are valued at the lowest of the quotes as on valuation date as provided by market intermediaries.

1.8 Investments

- Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.
- Long term investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.
- Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

1.9 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share as prescribed under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

1.10 Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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.

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

Class of assets	Useful life
Furniture and fittings	10 years
Motor vehicles	8 years
Office equipments	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

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.

Intangible fixed assets

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

1.11 Employee benefits

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (Revised 2005), is set out below:

Provident fund

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefits 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. This 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 actuarial valuation using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 *(continued)*

1. Significant accounting policies *(continued)*

1.11 *Employee benefits (continued)*

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on government securities as at the balance sheet date.

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

Compensated leave 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 to statement of profit and loss of the year and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary.

Deferred bonus

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

1.12 *Taxation*

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

Minimum alternative tax (MAT) Credit

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



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 *(continued)*

1. Significant accounting policies (continued)

1.13 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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



ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.1 Share capital		
Authorised:		
10,000,000 (Previous year: 10,000,000) equity shares of Rs. 10 each	100,000,000	100,000,000
40,000,000 (Previous year: 40,000,000) preference shares of Rs. 10 each	400,000,000	400,000,000
Issued, subscribed and paid up:		
240,000 (Previous year: 240,000) equity shares of Rs. 10 each	2,400,000	2,400,000
3,600,000 (Previous year: 3,600,000), 7% Non-cumulative, non-convertible, redeemable preference shares of Rs. 10 each	36,000,000	36,000,000
	38,400,000	38,400,000
Note:		
240,000 (Previous year: 240,000) equity shares of Rs. 10 each fully paid up are held by Edelweiss Financial Services Limited, the holding company and its nominees		
1,800,000 preference shares (Previous year: 1,800,000) are held by Edelweiss Financial Services Limited, the holding company and remaining 1,800,000 (Previous year: 1,800,000) preference shares are held by ECL Finance Limited, a fellow subsidiary.		
Reconciliation of number of equity shares outstanding:		
Number of shares outstanding at the beginning of the year	240,000	240,000
Shares issued during the year	-	-
Number of shares outstanding at the end of the year	240,000	240,000
Reconciliation of equity share capital:		
Share capital at the beginning of the year	2,400,000	2,400,000
Share capital issued during the year	-	-
Share capital at the end of the year	2,400,000	2,400,000
Reconciliation of number of preference shares outstanding:		
Number of shares outstanding at the beginning of the year	3,600,000	1,800,000
Shares issued during the year	-	1,800,000
Number of shares outstanding at the end of the year	3,600,000	3,600,000
Reconciliation of preference share capital:		
Share capital at the beginning of the year	36,000,000	18,000,000
Share capital issued during the year	-	18,000,000
Share capital at the end of the year	36,000,000	36,000,000
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.		
Terms of conversion/repayment of 7% Non-cumulative, non-convertible, redeemable, preference shares of Rs. 10 each:		
The preference shares are 7% non-cumulative, non-convertible redeemable and carry a non-cumulative dividend of 7%. The preference shares will be redeemed at the end of 5 years from the date of allotment. The Company has the option to redeem the shares at any time after a period of 3 months from the date of allotment.		
1,800,000 Preference shares of face value of Rs. 10 each were allotted on 29 March 2012 at a rate of Rs. 1,000 each. The preference shares will be redeemed at Rs. 1,000 per share.		
1,800,000 Preference shares of face value of Rs. 10 each were allotted on 20 December 2013 at par. The preference shares will be redeemed at face value.		
2.2 Reserves and surplus		
Securities premium account - opening balance	1,951,910,070	1,789,600,000
Less: Adjustment for difference between value of assets over liabilities taken over from Edelcap Securities Limited on account of acquisition of demerged business vide High Court order dated 22 April 2014	-	162,310,070
Closing balance	1,951,910,070	1,951,910,070
Surplus in statement of profit and loss	(285,773,472)	(511,545,525)
Add: Profit for the year	479,964,145	225,772,053
Net surplus/(deficit) in statement of profit and loss	194,190,673	(285,773,472)
	2,146,100,743	1,666,136,598



ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.3 Long-term provisions		
Provision for employee benefits		
Gratuity	1,721,856	1,129,984
Compensated leave absences	384,439	203,861
Deferred bonus	18,589,000	-
	<u>20,695,295</u>	<u>1,333,845</u>
2.4 Short-term borrowings		
<i>Unsecured</i>		
(Due within one year, unless otherwise stated)		
Loans from related parties	11,748,984,401	4,316,002,302
(repayable on demand, at variable rate of interest)		
Loans from others	6,300,000	3,300,500,000
Bank overdraft	-	950,000,000
	<u>11,755,284,401</u>	<u>8,566,502,302</u>
2.5 Other current liabilities		
Interest accrued and due on borrowings	47,045,494	23,651,500
Premium received on exchange traded options	951,726	91,580,286
Other payables		
Accrued salaries and benefits	121,164,329	21,729,844
TDS, service tax and other taxes payable	23,768,602	12,297,292
Bank overdraft	-	5,282,793
Others	205,440	-
Payable on account of acquisition of business	-	109,349,031
	<u>193,135,591</u>	<u>263,890,746</u>
2.6 Short-term provisions		
Provision for employee benefits		
Gratuity	356,000	246,872
Compensated leave absences	80,000	49,578
Deferred bonus	31,685,000	-
Others		
Provision for taxation (Net of advance tax and tax deducted at source : Rs. 47,293,127; Previous year: Rs. 47,293,127)	811,601	811,601
	<u>32,932,601</u>	<u>1,108,051</u>



ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees)

2.7 Fixed assets

Description of assets	Gross block				Depreciation				Net block		
	As at 1 April 2014	Additions during the year	Deductions / adjustments during the year	As at 31 March 2015	As at 1 April 2014	Adjustments	Charge for the Year	Deductions during the year	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Tangible assets:											
Vehicles	861,674	-	-	861,674	358,522	-	165,082	-	523,604	338,070	503,152
Office equipments	10,095	39,958	-	50,053	1,980	-	9,097	-	11,076	38,977	8,115
Computers	105,519	1,762,966	-	1,868,485	11,581	-	86,740	-	98,321	1,770,164	93,938
Total : A	977,288	1,802,924	-	2,780,212	372,083	-	260,919	-	633,002	2,147,210	605,205
Intangible assets											
Computer software	9,298,642	563,800	-	9,862,442	1,859,721	-	3,100,071	-	4,959,792	4,902,650	7,438,921
Total : B	9,298,642	563,800	-	9,862,442	1,859,721	-	3,100,071	-	4,959,792	4,902,650	7,438,921
Grand total [A+B]	10,275,930	2,366,724	-	12,642,654	2,231,804	-	3,360,990	-	5,592,793	7,049,861	8,044,126
Previous year	861,674	9,414,256	-	10,275,930	182,748	20,122	2,028,934	-	2,231,804	8,044,126	-



ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees)

2.8 Non-current investments

	As at 31 March 2015			As at 31 March 2014		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Investments in equity instruments of subsidiary company (fully paid up)						
Edelcap Securities Limited	10	300,000	13,000,000	10 00	300,000	13,000,000
Others						
Lichen Metals Private Limited	10	169,080	11,400,000	10	169,080	11,400,000
Investments in equity instruments of associate companies (fully paid up)						
Arum Investments Private Limited	10	297,813	49,139,145	-	-	-
Others (quoted)						
Investments in equity instruments of other companies (fully paid up)						
Dhanuka Agritech Ltd	2	60,261	27,829,393	-	-	-
Eclerx Services Ltd	10	25,824	32,723,572	-	-	-
Kewal Kiran Clothing Ltd	10	15,844	27,791,062	-	-	-
Persistent Systems Ltd	10	47,018	27,875,535	-	-	-
PTC India Financial Services Ltd	10	703,353	27,854,698	-	-	-
Repro Home Finance Ltd	10	56,835	27,870,709	-	-	-
Credit Analysis and Research Ltd	10	32,000	46,084,058	-	-	-
City Union Bank Ltd	1	530,000	45,970,486	-	-	-
Ratnamani Metals & Tubes Ltd	2	73,600	35,377,090	-	-	-
SRF LTD	10	33,400	32,562,359	-	-	-
Indo Count Industries Ltd	10	70,800	31,227,479	-	-	-
WPIL LTD	10	47,568	28,345,170	-	-	-
Greenlam Industries Ltd	5	16,831	-	-	-	-
Investments in preference shares of subsidiary companies (fully paid up)						
Edelcap Securities Limited	10	450,000	500,000,000	-	-	-
Investments in preference shares of associate companies (fully paid up)						
Arum Investments Private Limited	10	20,726,698	3,242,659,772	-	-	-
Investments in debt instruments of other companies						
Appu Hotels Limited-10%-20-6-19-PVT	1,000,000	130	130,000,000	-	-	-
Investments in debt instruments of subsidiary companies						
17% Compulsorily Convertible Debentures-Arum Investments Private Limited	125	2,150,984	339,759,709	-	-	-
Investment in partnership firms						
- Capital account (refer note below)			42,000			9,000
			4,677,512,237			24,409,000
Aggregate of unquoted investment						
- At carrying value			4,286,000,626			24,409,000
Aggregate amount of quoted investment						
- At carrying value			391,511,611			-
- At market value			468,458,076			-

Details of investment in partnership firms:

(a) Partnership firm Edehvalue Partners	Total Capital	Rs. 100,000 (Previous year Rs. 100,000)	31 March 2015	31 March 2014
	Share of profit / loss	Magnolia Commodities Services Private Limited	41%	41%
		Dahlia Commodities Services Private Limited	40%	40%
		Edehweiss Commodities Services Limited	10%	10%
		ECap Equities Limited	9%	9%
(b) Partnership firm Forefront Wealth Advisor LLP	Total Capital	Rs. 100,000 (Previous year Rs. Nil)	31 March 2015	31 March 2014
	Share of profit / loss	Edehweiss Commodities Services Limited	34%	-
		Edehweiss Capital Markets Limited	33%	-
		ECap Equities Limited	33%	-



ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.9 Deferred tax assets (net)		
Deferred tax assets		
<i>Tax effect of timing differences on account of:</i>		
Provision for doubtful debts	1,613,845	1,584,846
Disallowances under section 43B of the Income Tax Act, 1961	<u>18,426,092</u>	<u>554,137</u>
	20,039,937	2,138,983
Deferred tax liabilities		
<i>Tax effect of timing differences on account of:</i>		
Difference between book and tax written down value	1,091,338	1,068,512
	<u>1,091,338</u>	<u>1,068,512</u>
	18,948,599	1,070,471
2.10 Long-term loans and advances:		
<i>Unsecured, considered good</i>		
Loans and advances to related parties	-	1,500,000,000
Other deposits	7,700	7,700
Other loans and advances		
Advance income taxes (Net of provision for taxation Rs. 134,255,682; Previous year: Rs. 109,973,205)	131,335,160	157,045,551
	<u>131,342,860</u>	<u>1,657,053,251</u>
2.11 Other non-current assets		
Accrued interest on fixed deposits	-	28,115
Long term deposits with banks (refer note 2.33)	-	189,852
	<u>-</u>	<u>217,967</u>
2.12 Current investments		
	As at 31 March 2015	As at 31 March 2014
	Face Value Quantity Amount	Face Value Quantity Amount
<i>Investments in equity instruments (unquoted)</i>		
Indian Energy Exchange Limited	10 1,250,000 762,481,250	- - -
Investment in others (PMS)	- - -	- - 2,518,796
<i>Investments in partnership firm</i>		
- Current account (refer note 2.8(a))	- - 36,429,855	- - 5,613,861
	<u>798,911,105</u>	<u>8,132,657</u>
Aggregate of unquoted investment		
- At carrying value	762,481,250	-



ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees)

2.13 Stock-in-trade

Securities

	As at 31 March 2015	As at 31 March 2014
Equity shares (quoted)	1,894,487,259	386,287,256
Equity shares (unquoted)	54,776,150	-
Preference shares (quoted)	-	-
Mutual funds (quoted)	285,162,835	2,759,002,818
Warrants (quoted)	-	10,978,827
Debentures and bonds (quoted)	6,337,184,954	2,799,388,981

8,571,611,198	5,955,657,882
----------------------	----------------------

Aggregate of stock-in-trade in equity shares (quoted)

- At book value	1,894,487,259	386,287,256
- At market value	2,168,379,468	401,688,938

Aggregate of stock-in-trade in equity shares (unquoted)

- At book value	54,776,150	-
- At market value	54,776,150	-

Aggregate of stock-in-trade in preference shares (quoted)

- At book value	-	-
- At market value	-	854,752,500

Aggregate of stock-in-trade in mutual funds (unquoted)

- At book value	285,162,835	2,759,002,818
- At Net Asset Value	286,517,695	2,765,597,916

Aggregate of stock-in-trade in warrants (quoted)

- At book value	-	10,978,827
- At market value	-	10,978,827

Aggregate of stock-in-trade in debentures and bonds (quoted)

- At book value	6,337,184,954	2,799,388,981
- At market value	6,337,184,954	2,799,388,981



ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees)

	As at 31 March 2015	As at 31 March 2014
2.14 Trade receivables		
<i>Debtors outstanding for a period exceeding six months</i>		
Unsecured, considered doubtful	4,663,213	4,662,684
Less: Provision for doubtful debts	<u>4,663,213</u>	<u>4,662,684</u>
	-	-
<i>Other debts</i>		
Unsecured, considered good	165,908,951	191,743,140
Less: Provision for doubtful debts	<u>-</u>	<u>-</u>
	<u>165,908,951</u>	<u>191,743,140</u>
	<u>165,908,951</u>	<u>191,743,140</u>
2.15 Cash and bank balances		
<i>Cash and cash equivalents</i>		
<i>Balances with banks</i>		
- in current accounts	14,340,028	2,157,680
<i>Other bank balances</i>		
- in fixed deposits with bank (refer note 2.33)	189,852	180,000
- in escrow account with bank (refer note 2.36)	627,123,966	-
	<u>641,653,846</u>	<u>2,337,680</u>
	<u>641,653,846</u>	<u>2,337,680</u>
2.16 Short-term loans and advances		
<i>Other loans and advances</i>		
Rental deposits	752,900	-
Deposits- others	200,000	-
Prepaid expenses	108,306	203,965
Loans and advances to employees	169,583	317,174
Vendor advances	934,493	5,132
Intercompany deposits placed	27,108,954	27,108,954
Cenvat and VAT assets	8,394,966	80,000
Advance income taxes (Net of provision for taxation Rs. 30,568,910; Previous year: Rs. Nil)	64,148,763	15,948,490
MAT credit entitlement	63,306,715	63,306,715
Advances recoverable in cash or in kind or for value to be received	-	1,824,124,690
	<u>165,124,680</u>	<u>1,931,095,120</u>
	<u>165,124,680</u>	<u>1,931,095,120</u>
2.17 Other current assets		
Accrued interest on fixed deposits	45,608	34,562
Accrued interest on inter-corporate deposits	6,602,405	3,349,330
Accrued interest on debt instruments	211,209,559	-
Accrued interest on loans given	114,780	4,882,478
Accrued interest on margin	311,921	1,981,421
Dividend receivable	248,526	36,125
Currency options premium paid	-	8,408,770
Equity index/stock options premium account	874,716	38,899,613
Margin placed with broker	113,166,622	1,309,711,920
Receivable on account of acquisition of business	115,801	-
	<u>332,689,938</u>	<u>1,367,304,219</u>
	<u>332,689,938</u>	<u>1,367,304,219</u>



ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.18 Fee and commission income		
Income from securities broking	5,093,725	4,074,154
Advisory and other fees	3,400,000	22,217,120
	<u>8,493,725</u>	<u>26,291,274</u>
2.19 Income from treasury operations and investments		
Loss on trading of securities (net)	(515,519,143)	(133,240,253)
Profit on trading in equity derivative instruments (net)	273,668,125	279,478,500
Profit/(loss) on trading in commodity derivative instruments (net)	365,760,000	(138,376,728)
(Loss)/profit on trading in currency derivative instruments (net)	(9,090,109)	191,368,744
Profit on sale of current investment	741,077	25,728
Loss on sale of long term investment	(574,360)	-
Dividend on inventories	332,221,860	79,371,107
Dividend on current investment	52,481	3,603
Dividend on long term Investment	2,530,585	-
Share of profit in partnership firm (net)	36,424,415	5,613,861
	<u>486,214,931</u>	<u>284,244,562</u>
2.20 Interest income		
On loan	-	1,270,445
On loan to holding company	106,356,164	214,717,875
On intercorporate deposits	3,253,075	3,292,832
On fixed deposits	4,098,440	21,517,705
On debt instrument	1,179,081,715	482,071,099
On margin with brokers	26,862,602	54,001,398
Interest income on overdue accounts	27,151,832	-
	<u>1,346,803,828</u>	<u>776,871,354</u>
2.21 Other income		
Miscellaneous income	-	3,611
Interest income - others	8,886	30,509
	<u>8,886</u>	<u>34,120</u>



ECap Equities Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees)

	For the year ended 31 March 2015	For the year ended 31 March 2014
2.22 Employee benefit expenses		
Salaries and wages (refer note 2.34)	188,846,405	38,109,303
Contribution to provident and other funds	637,135	91,020
Staff welfare expenses	211,201	24,506
	<u>189,694,741</u>	<u>38,224,829</u>
2.23 Finance costs		
Interest on bank overdraft	(252,985)	22,755,534
Interest on loan from holding company	182,450,405	306,176,966
Interest on loan from fellow subsidiaries	497,743,593	181,374,526
Interest - others	75,773,866	79,007,877
Interest on loan - others	93,719,452	-
Financial and bank charges	1,344	295
	<u>849,435,675</u>	<u>589,315,198</u>
2.24 Other expenses		
Advertisement and business promotion	9,339	124,755
Auditors' remuneration (refer note below)	328,250	287,500
Bad- debts written off	-	645,848
Commission and brokerage	119,844	124,000
Commodity transaction tax	-	47,707
Communication	583,426	589,746
Computer software	995,444	93,750
Clearing and custodian charges	410,781	870,000
Dematerialisation charges	-	25,467
Electricity charges (refer note 2.34)	568,256	495,217
Freight and forwarding expenses	-	238,070
Insurance	66,819	29,278
Legal and professional fees	4,828,484	3,514,024
Membership and subscription	3,185,834	2,862,027
Office expenses	19,488	64,865
Printing and stationery	15,770	16,098
Provision for doubtful debts	529	(1,368,440)
Rates and taxes	11,289	17,005
Rating support Fees	-	23,000,000
Rent (refer note 2.34)	5,217,967	5,011,274
Repairs and maintenance - others	929,360	3,257
ROC expenses	5,328	1,020
Security transaction tax	122,249,572	162,432,694
Service tax expenses	6,487,772	22,870,900
Stamp duty	37,550	1,540
Stock exchange expenses	78,142	193,266
Travelling and conveyance	1,976,592	672,729
Warehousing charges	2,355,861	796,421
Miscellaneous expenses	39,964	21,014
	<u>150,521,661</u>	<u>223,681,032</u>
Note:-		
Auditors' remuneration:		
As auditor	235,750	227,500
For taxation matters	70,000	60,000
For out of pocket expenses	22,500	-
	<u>328,250</u>	<u>287,500</u>



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015

(Currency: Indian Rupees)

2.25 Segment reporting

Business segment

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	Income from treasury operations, income from investments and dividend income
Agency business	Broking and advisory services

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

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

Secondary segment

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 Accounting Standard -17 on Segment Reporting:

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
I Segment revenue		
a) Capital based business	3,211,771,729	1,105,209,475
b) Agency business	8,493,725	26,291,274
Total	3,220,265,454	1,131,500,750
Less : Inter segment revenue	-	-
Total income	3,220,265,454	1,131,500,749
II Segment results		
a) Capital based business	478,662,513	205,685,069
b) Agency business	7,814,599	25,158,491
Total	486,477,112	230,843,560
Profit before taxation	486,477,113	230,843,560
Less : Provision for taxation	6,512,968	5,071,507
Profit after taxation	479,964,145	225,772,053
Particulars	As at 31 March 2015	As at 31 March 2014
III Segment assets		
a) Capital based business	15,223,942,187	10,900,304,509
b) Agency business	970,572	9,558,769
c) Unallocated	300,674,231	239,608,907
Total	15,525,586,990	11,149,472,185
IV Segment liabilities		
a) Capital based business	13,315,792,206	9,423,597,324
b) Agency business	513,839	8,229,370
c) Unallocated	24,780,203	13,108,893
Total	13,341,086,248	9,444,935,587
V Capital expenditure (Including capital work-in-progress)		
a) Capital based business	2,360,482	9,408,574
b) Agency business	6,242	5,682
Total	2,366,724	9,414,256
VI Depreciation and amortisation		
a) Capital based business	3,352,125	2,019,628
b) Agency business	8,865	9,306
Total	3,360,990	2,028,934
VII Significant non-cash expenses other than depreciation and amortisation		
a) Capital based business	549,547	500,849
b) Agency business	1,982	(700,032)
Total	551,529	(199,183)



Ecap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.26 Related parties

In accordance with Accounting Standard 18 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)
Name of related parties over whom control is exercised	Edelcap Securities Limited (Subsidiary company) Edelweiss Retail Finance Limited (Subsidiary company)
Fellow subsidiaries (with whom transactions have taken place)	ECL Finance Limited EC Commodity Limited Edelweiss Commodities Services Limited Edelweiss Global Wealth Management Limited Edel Investments Limited EFSL Commodities Limited Edelweiss Comtrade Limited Edelweiss Finance & Investments Limited Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Financial Advisors Limited (upto 09 December 2014) EFSL Comtrade Limited Edelweiss Web Services Limited Edel Commodities Trading Limited Edelweiss Integrated Commodity Management Limited (from 24 July 2014) Edelweiss Asset Management Limited
Associate (with whom transactions have taken place)	Arum Investments Private Limited (from 30 January 2015)
Name of related parties over whom control is exercised	Forefront Wealth Advisors LLP (Partnership firm) (from 03 September 2014)

ii. Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	Amount 31 March 2015	Amount 31 March 2014
	Capital Account Transactions during the year			
1	Investment in equity shares of	Arum Investments Private Limited	49,139,145	-
2	Investment in preference shares of	Edelcap Securities Limited Arum Investments Private Limited	500,000,000 3,242,659,772	- -
3	Investment in debentures of	Arum Investments Private Limited	339,759,709	-
4	Investment in partnership firm	Forefront Wealth Advisors LLP	33,000	-



Ecap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.26 Related parties (continued)

ii. Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	Amount 31 March 2015	Amount 31 March 2014
5	Short term loans taken from (refer note below)	Edelweiss Financial Services Limited	21,850,828,245	22,771,589,193
		ECL Finance Limited	-	925,949,347
		EC Commodity Limited	-	7,786,374
		Edelweiss Commodities Services Limited	9,526,545,272	8,435,192,990
		Edelweiss Global Wealth Management Limited	-	361,600,000
		Edel Investments Limited	76,300,000	-
		EFSL Commodities Limited	500,000,000	-
		Edelweiss Comtrade Limited	-	1,124,900,000
6	Short term loans repaid to (refer note below)	Edelweiss Financial Services Limited	11,393,078,033	23,107,709,318
		ECL Finance Limited	-	1,153,249,347
		EC Commodity Limited	-	7,786,374
		Edelweiss Commodities Services Limited	13,050,610,459	4,122,452,541
		Edelweiss Global Wealth Management Limited	-	397,700,000
		Edel Investments Limited	75,800,000	-
		Edelweiss Comtrade Limited	-	1,261,751,102
7	Long term loans given to (refer note below)	Edelweiss Financial Services Limited	-	1,800,000,000
8	Long term loans repaid by (refer note below)	Edelweiss Financial Services Limited	1,500,000,000	300,000,000
9	Nomination deposits received from	Edelweiss Financial Services Limited	200,000	-
10	Nomination deposits given to	Edelcap Securities Limited	200,000	-
11	Share of loss in partnership firm	Forefront Wealth Advisors LLP	5,440	-
12	Margins placed with (refer note below)	Edelweiss Commodities Services Limited	-	147,609
		Edelweiss Securities Limited	1,664,093,951	2,271,925,112
		EC Commodity Limited	-	3,106,332
		Edelcap Securities Limited	-	19,918,494
13	Margins withdrawn from (refer note below)	Edelweiss Commodities Services Limited	-	147,609
		EC Commodity Limited	-	3,106,332
		Edelweiss Comtrade Limited	-	4,467
		Edelweiss Securities Limited	2,850,867,417	1,436,453,974
		Edelweiss Financial Advisors Limited	17,351,728	20,230,087
		Edelcap Securities Limited	-	19,918,494



Ecap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.26 Related parties (continued)

ii. Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	Amount 31 March 2015	Amount 31 March 2014
	Current Account Transactions during the year			
14	Purchase of debt securities from	Edelweiss Finance & Investments Limited Edelweiss Commodities Services Limited	49,707,534 42,226,550	- -
15	Sale of debt securities to	ECL Finance Limited	-	2,488,484
16	Sale of equity shares to	ECL Finance Limited	-	1,080,157
17	Purchase of commodities from	Edelweiss Commodities Services Limited	1,540,775,273	-
18	Sale of commodities to	Edelweiss Commodities Services Limited Edel Commodities Trading Limited Edelweiss Global Wealth Management Limited EFSL Comtrade Limited Edelweiss Web Services Limited	88,911,909 256,450,908 256,259,399 115,412,066 661,709,802	- - - - -
19	Brokerage earned from	Edelweiss Securities Limited	5,093,725	4,074,154
20	Net amount incurred on settlement of forward contracts	Edel Commodities Trading Limited Edelweiss Global Wealth Management Limited	- -	34,875,000 19,800,000
21	Net amount earned on settlement of forward contracts	Edelweiss Commodities Services Limited Edel Investments Limited	5,880,000 7,560,000	- -
22	Interest income on margins placed with	Edelweiss Commodities Services Limited EC Commodity Limited Edelweiss Securities Limited Edelcap Securities Limited Edelweiss Financial Advisors Limited Edelweiss Broking Limited	- - 26,691,462 - - 171,140	743 26,568 52,771,149 191,219 1,011,719 -
23	Interest income on debt instrument of	Arum Investments Private Limited ECL Finance Limited	7,638,940 736,341,505	- 479,357,367
24	Interest income on loans given to	Edelweiss Financial Services Limited	106,356,164	214,717,875



Ecap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.26 Related parties (continued)

II. Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	Amount 31 March 2015	Amount 31 March 2014
25	Interest income on delayed payments to	Edel Commodities Trading Limited	4,288,339	-
		Edelweiss Global Wealth Management Limited	7,548,802	-
		EFSL Comtrade Limited	1,822,191	-
		Edelweiss Web Services Limited	13,492,500	-
26	Warehousing income from	Edel Commodities Trading Limited	953,700	-
		Edelweiss Global Wealth Management Limited	953,700	-
		EFSL Comtrade Limited	437,113	-
		Edelweiss Web Services Limited	1,876,800	-
27	Interest expense on loans taken from	Edelweiss Financial Services Limited	182,450,405	306,176,966
		ECL Finance Limited	-	18,550,542
		EC Commodity Limited	-	197,506
		Edelweiss Commodities Services Limited	496,060,655	156,213,746
		Edelweiss Global Wealth Management Limited	-	2,795,989
		Edel Investments Limited	1,525,404	-
		EFSL Commodities Limited	157,534	-
		Edelweiss Comtrade Limited	-	3,207,155
28	Interest expense on delayed payments to	Edelweiss Commodities Services Limited	43,240,769	-
29	Reimbursements paid to	Edelweiss Financial Services Limited	36,074,149	556,861,423
		Edelweiss Commodities Services Limited	14,300	2,500
		Edelweiss Web Services Limited	6,900	-
30	Cost reimbursements paid to	Edelweiss Securities Limited	567	6,360,000
		Edelweiss Asset Management Limited	2,755,970	2,737,904
		Edelweiss Commodities Services Limited	5,683,290	5,506,491
31	Clearing and custodian charges paid to	Edelweiss Securities Limited	410,000	870,000
32	Processing fees paid to	Edelweiss Web Services Limited	20,610	-
33	Portfolio management fee paid to	Edelweiss Asset Management Limited	-	5,472
34	Warehousing expenses paid to	Edelweiss Securities Limited	-	792,623
		Edelweiss Integrated Commodity Management Limited	251,899	-
		Edelweiss Commodities Services Limited	6,325,275	-
35	Rating support fees paid to	Edelweiss Financial Services Limited	-	23,000,000



Ecap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.26 Related parties (continued)

ii. Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	Amount 31 March 2015	Amount 31 March 2014
	Balances with Related Parties			
36	Short term loans taken from	Edelweiss Financial Services Limited	10,459,809,139	3,261,853
		Edelweiss Commodities Services Limited	788,675,262	4,312,740,449
		Edel Investments Limited	500,000	-
		EFSL Commodities Limited	500,000,000	-
37	Trade payables to	Edelweiss Securities Limited	177,192	9,091,967
		Edelweiss Financial Services Limited	5,214	3
		Edelweiss Global Wealth Management Limited	-	19,800,000
		Edel Commodities Trading Limited	-	34,875,000
		Edelweiss Web Services Limited	-	3,480
		Edelweiss Commodities Services Limited	368,762	-
		Edelweiss Integrated Commodity Management Limited	226,709	-
		Edelweiss Asset Management Limited	2,821,010	-
		Forefront Wealth Advisors LLP	5,440	-
38	Interest payable on loans taken from	Edelweiss Financial Services Limited	41,372,220	1,574,764
		Edelweiss Commodities Services Limited	1,587,046	18,867,614
		ECL Finance Limited	-	1,616
		EC Commodity Limited	-	283
		Edelweiss Global Wealth Management Limited	-	1,417
		Edel Investments Limited	2,977	-
		EFSL Commodities Limited	141,781	-
39	Nomination deposits payable to	Edelweiss Financial Services Limited	200,000	-
40	Investments in equity shares of	Arum Investments Private Limited	49,139,145	-
		Edelcap Securities Limited	13,000,000	13,000,000
41	Investments in preference shares of	Arum Investments Private Limited	3,242,659,772	-
		Edelcap Securities Limited	500,000,000	-
42	Investments in debentures of	Arum Investments Private Limited	339,759,709	-
43	Investment in partnership firm	Forefront Wealth Advisors LLP	33,000	-
44	Trade receivables from	Edelweiss Securities Limited	19,994,929	10,223,098
		Edelweiss Financial Advisors Limited	-	17,351,728
		ECL Finance Limited	24,579,413	-
		Edelcap Securities Limited	361,000	-
		Edelweiss Web Services Limited	73,202	-



Ecap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.26 Related parties (continued)

II. Transactions with related parties :

Sr. No.	Nature of transaction	Related party name	Amount 31 March 2015	Amount 31 March 2014
45	Long term loans given to	Edelweiss Financial Services Limited	-	1,500,000,000
46	Stock in trade - debentures and bonds	ECL Finance Limited	1,246,258,522	1,506,348,981
		Edelweiss Finance and Investments Limited	268,516,740	-
		Edelweiss Commodities Services Limited	1,329,369,692	-
47	Nomination deposits receivable from	Edelcap Securities Limited	200,000	-
48	Interest receivable on debt instruments of	Arum Investments Private Limited	20,512,432	-
49	Interest receivable on loans given to	Edelweiss Financial Services Limited	114,780	4,882,195
50	Interest receivable on margins placed with	Edelweiss Securities Limited	311,921	1,960,656
		Edelcap Securities Limited	-	1,940
		Edelweiss Financial Advisors Limited	-	18,825
51	Margins placed with	Edelweiss Securities Limited	113,166,622	1,309,711,920
52	Other receivables from	Edelcap Securities Limited	115,801	-

Note: 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.



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.27 Earnings per share

In accordance with Accounting Standard 20 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

	Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
(a)	Profit after tax (as per statement of profit and loss)	479,964,144	225,772,053
	Less: dividend on preference share capital	-	-
	Net profit for the year attributable to equity shareholders	479,964,144	225,772,053
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	240,000	240,000
	Number of Shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	240,000	240,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	240,000	240,000
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	1,999.85	940.72

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

2.28 Foreign currency transaction

The Company has incurred an amount of Rs. 116,191/- (Previous year: Rs. Nil) in foreign currency towards software maintenance and usage charges.



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.29 The following currency futures have open interests as on the balance sheet date:

Open interests currency futures-USD INR as on the balance sheet date

Sr. No.	Name of future	For the year ended 31 March 2015		For the year ended 31 March 2014	
		Number of contracts	Number of units involved	Number of contracts	Number of units involved
1	Long position	-	-	153,44	25,688,000
2	Short position	300	300,000	12,204	12,204,000

Open interests Interest rate futures-IRC as on the balance sheet date

Sr. no.	Name of future	For the year ended 31 March 2015		For the year ended 31 March 2014	
		Number of contracts	Number of units involved	Number of contracts	Number of units involved
1	Long position	6375	12,750,000	-	-
2	Short position	1,960	3,920,000	-	-

The following equity index/stock futures have open interests as on the balance sheet date:

Sr. no.	Name of future	For the year ended 31 March 2015		For the year ended 31 March 2014	
		Number of contracts	Number of units involved	Number of contracts	Number of units involved
1	Long position	92	148,500	13,945	14,269,140
2	Short position	602	484,534	16,652	10,659,985

The following option contracts are outstanding as on balance sheet date:

	For the year ended 31 March 2015	For the year ended 31 March 2014
Total premium carried forward (Net of provision made)	(77,010)	(50,192,799)

The following currency option contracts are outstanding as on balance sheet date:

	For the year ended 31 March 2015	For the year ended 31 March 2014
Total premium carried forward (Net of provision made)	-	5,920,895



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.30 Details of purchase, sale and change in stock in trade:

(i) Commodities

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
	Amount (Rs.)	Amount (Rs.)
Opening stock		
Agri	-	-
	-	-
Purchase		
Agri	1,540,775,274	47,407,196
	1,540,775,274	47,407,196
Sales		
Agri	1,378,744,084	44,059,439
	1,378,744,084	44,059,439
Closing stock		
Agri	-	-
	-	-
Loss on trading in commodities (net)	(162,031,190)	(3,347,757)



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.30 Details of purchase, sale and change in stock in trade (continued):
(ii) Securities

Particulars	For the year ended 31 March 15	For the year ended 31 March 14
	Amount (Rs.)	Amount (Rs.)
Opening stock		
Equity shares	*(58,415,186)	643,414,920
Preference shares	-	-
Debentures, bonds, warrants	2,810,367,808	1,020,662,219
Mutual fund	2,758,924,115	81,056,259
Others	-	-
	5,510,876,737	1,745,133,398
Purchase		
Equity shares	23,074,355,878	19,692,908,016
Preference shares	35,737,219	-
Debentures, bonds, warrants	60,835,835,235	5,985,712,018
Mutual fund	35,948,318,839	78,931,830,426
Others	57,123,320	-
	119,951,370,491	104,610,450,460
Sales		
Equity shares	21,077,981,554	20,592,485,719
Preference shares	40,962,449	-
Debentures, bonds, warrants	56,624,367,428	3,824,784,612
Mutual fund	33,577,266,677	76,294,196,537
Others	54,538,779	-
	116,375,116,887	100,711,466,868
Closing stock		
Equity shares	1,949,263,409	*(58,415,186)
Preference shares	-	-
Debentures, bonds, warrants	6,337,184,954	2,810,367,808
Mutual fund	285,162,835	2,758,924,115
Others	-	-
	8,571,611,198	5,510,876,737
Loss on sale of securities (net)	(515,519,143)	(133,240,253)

* Provision for short sale



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.31 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits:

A) Defined contribution plan (provident fund)

Amount of Rs. 637,135/- (Previous year: Rs. 90,732/-) is recognised as expenses and included in "employee benefit" – Notes 2.22 in the statement of profit and loss.

(B) Defined benefit plan (gratuity):

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

Statement of profit and loss of the year

Net employee benefit expenses (recognised in employee cost):

	For the year ended 31 March 2015	For the year ended 31 March 2014
Current service cost	342,000	262,000
Interest on defined benefit obligation	155,000	69,000
Actuarial loss/(gain)	(157,000)	166,000
Total included in employee benefit expenses	340,000	497,000

Balance sheet

Details of provision for gratuity:

	For the year ended 31 March 2015	For the year ended 31 March 2014
Liability at the end of the year	2,077,856	1,376,820
Amount in balance sheet	2,077,856	1,376,820

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

	For the year ended 31 March 2015	For the year ended 31 March 2014
Liability at the beginning of the year	1,376,820	879,820
Transfer in/(out)	361,036	-
Interest cost	155,000	69,000
Current service cost	342,000	262,000
Actuarial (gain)/loss on obligations	(157,000)	166,000
Liability at the end of the year	2,077,856	1,376,820

Non-current liability at the end of the year 1,721,856/-

Current liability at the end of the year 356,000/-



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.31 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits (continued)

Amount recognised in the balance sheet:

	For the year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Liability at the end of the year	2,077,856	1,376,820	599,840	253,172	39,722
Fair value of plan assets at the end of year	-	-	-	-	-
Amount recognized in balance sheet	2,077,856	1,376,820	599,840	253,172	39,722

Experience adjustment:

	For the year ended				
	31 March 2015	31 March 2014	31 March 2013	31 March 2011	31 March 2011
On plan liabilities (gain)/loss	(365,000)	220,000	212,887	85,546	13,422
On plan assets (gain)/loss	-	-	-	-	-
Estimated contribution for next year	-	-	-	-	-

Principle actuarial assumptions at the balance sheet date:

	For the year ended 31 March 2015	For the year ended 31 March 2014
Discount rate current	7.80%	8.90%
Salary escalation current	7.00%	6.00%
Employees attrition rate	13%-25%	13%-25%



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.32 *Contingent liabilities and commitments*

Contingent liabilities

1. The Company has pending taxation matters of Rs. 6,845/- as at balance sheet date (Previous year: Rs. Nil).
2. The Company has received demand notice/s from tax authorities on account of disallowance of expenditure under Section 14A of Income Tax Act, 1961, read with Rule 8D of Income Tax Rules, 1962, the Company has filed appeal/s and is defending its position. Due to lack of clarity on the legal position relating to application of Rule 8D, the outcome and quantification of the eventual tax liability on the Company, if any, at this stage cannot be estimated. The Company has been advised by its tax counsel that it has a good chance in sustaining its position.

Commitments

The Company has capital commitments of Rs. 11,716,000/- towards fixed assets as at the balance sheet date (Previous year: Rs. 27,600,000/-).

2.33 *Additional disclosure on fixed deposits*

The Company has pledged fixed deposits with bank amounting to Rs. 189,852 (Previous year: Rs. 432,529) with VAT Authorities for meeting deposit requirements.

2.34 *Cost sharing*

Fellow subsidiaries, Edelweiss Securities Limited (ESL) and Edelweiss Commodities Services Limited (ECSL), incurs expenditure like common senior management compensation cost, electricity and rent which is for the benefit of the Company. These costs so expended are reimbursed by the Company on the basis of number of employees, area occupied and time spent by employees of ESL and ECSL for the company, actual identifications etc. Accordingly, and as identified appropriately, the expenditure heads in note 2.22 and 2.24 are gross of the reimbursement.

2.35 *Details of dues to micro, small and medium enterprises*

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



ECap Equities Limited

Notes to the financial statements for the year ended 31 March 2015 (continued)

(Currency: Indian Rupees)

2.36 Other bank balances

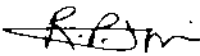
The Company has deposited an amount of Rs. 627,123,966 in an escrow account kept with a bank pursuant to an agreement towards purchase of securities of Arum Investments Private Limited.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 1198FOW



R. P. Soni

Partner

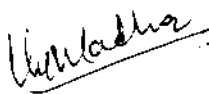
Membership No.: 104796

Mumbai

14 May 2015



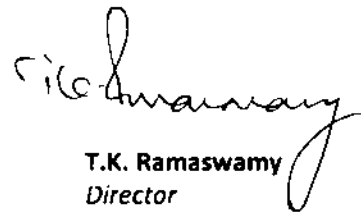
For and on behalf of the Board of Directors



Umesh Wadliwa

Director

DIN: 05157099



T.K. Ramaswamy

Director

DIN: 05158707