

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF EDELWEISS SECURITIES LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Edelweiss Securities Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 to 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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 auditors' 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. 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.
7. 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.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no. LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration no. 012754N)



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT
To the Members of Edelweiss Securities Limited
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Opinion

8. 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 March 31, 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 statements 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 the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:



Price Waterhouse Chartered Accountants LLP

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To the Members of Edelweiss Securities Limited
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- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its financial statements – Refer Note 2.34;
- ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.
- ii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Sharad Agarwal
Partner
Membership Number: 118522

Mumbai
May 2, 2018.

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Edelweiss Securities Limited on the financial statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls over financial reporting of Edelweiss Securities Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 Act.

Auditors' Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Edelweiss Securities Limited on the financial statements for the year ended March 31, 2018

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Meaning of Internal Financial Controls Over Financial Reporting

6. 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

7. 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

8. In our opinion, 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, 2018, 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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Sharad Agarwal
Partner
Membership Number: 118522

Mumbai
May 2, 2018.

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Edelweiss Securities Limited on the financial statements as of and for the year ended March 31, 2018.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 2.9 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The securities held as stock-in-trade have been confirmed by the Management with the statement of holdings provided by National Securities Depository Limited (NSDL) at reasonable intervals. There were no material discrepancies between books of records and the statement of holdings provided by NSDL.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax and service-tax, or value added tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Edelweiss Securities Limited on the financial statements for the year ended March 31, 2018.

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- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants



Sharad Agarwal
Partner
Membership Number: 118522

Mumbai
May 2, 2018.

Edelweiss Securities Limited

Balance sheet
as at 31 March 2018

(Currency : Indian rupees in millions)

	Note	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	262.14	264.84
Reserves and surplus	2.2	4,267.85	4,462.01
		<u>4,529.99</u>	<u>4,726.85</u>
Non-current liabilities			
Other long term liabilities	2.3	0.26	0.26
Long-term provisions	2.4	10.93	11.42
Current liabilities			
Short-term borrowings	2.5	3,980.55	8,358.32
Trade / customer accounts payables	2.6		
(i) total outstanding dues of micro enterprises and small enterprises		0.03	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,943.76	1,068.18
Other current liabilities	2.7	2,035.97	2,399.72
Short-term provisions	2.8	156.25	155.89
TOTAL		<u>12,657.74</u>	<u>16,720.64</u>
ASSETS			
Non-current assets			
Fixed assets	2.9		
(i) Property, Plant and Equipment		265.96	321.34
(ii) Intangible assets		43.70	12.01
(iii) Capital work-in-progress		0.73	26.95
Non-current investments	2.10	3,519.36	3,709.36
Deferred tax assets	2.11	39.67	48.77
Long-term loans and advances	2.12	1,002.62	1,115.77
Other non-current assets	2.13	2,042.89	2,038.66
		<u>6,914.93</u>	<u>7,272.86</u>
Current assets			
Current Investments	2.14	480.00	-
Stock-in-trade	2.15	0.13	0.13
Trade / customer accounts receivables	2.16	358.32	1,485.02
Cash and bank balances	2.17	3,290.16	7,509.57
Short-term loans and advances	2.18	185.85	371.97
Other current assets	2.19	1,428.35	81.09
		<u>5,742.81</u>	<u>9,447.78</u>
TOTAL		<u>12,657.74</u>	<u>16,720.64</u>

The accompanying notes are an integral part of these financial statements

1 and 2

This is the balance sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration No.: 012754N / NS00016


Sherad Agarwal

Partner

Membership No: 118522

Mumbai

2 May 2018

For and behalf of the Board of Directors


Nischal Maheshwari

Executive Director

DIN : 00279658


Atul Bapna

Executive Director

DIN : 07376744


Vikas Khemani

Chief Executive Officer

Mumbai

2 May 2018


Sandesh Sawant

Chief Financial Officer


Pooja Doshi

Company Secretary

Edelweiss Securities Limited

Statement of Profit and Loss
for the period ended 31 March 2018

(Currency : Indian rupees in millions)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017 Audited
Revenue from operations			
Fee and commission income	2.20	2,116.43	2,005.58
Income from treasury & investments	2.21	280.37	(5.48)
Interest income	2.22	655.72	1,713.27
Other operating revenue	2.23	29.57	108.78
		<u>3,082.09</u>	<u>3,822.15</u>
Other income	2.24	132.34	3.78
Total Revenue		<u>3,214.43</u>	<u>3,825.93</u>
Expenses			
Employee benefit expenses	2.25	1,138.71	1,540.27
Finance costs	2.26	850.22	1,094.62
Depreciation and amortization expenses	2.9	66.91	94.21
Other expenses	2.27	751.55	770.04
Total expenses		<u>2,807.39</u>	<u>3,499.14</u>
Profit before tax		407.04	326.79
(1) Current tax:		32.89	96.20
(includes net short provision for earlier years of ₹ 3.04 (Previous year: ₹ 3.21))			
(2) Deferred tax		9.10	14.26
Profit for the year		<u>365.05</u>	<u>216.33</u>
Earnings per equity share: (Face value of ₹ 10 each)			
Basic and diluted (in rupees)	2.30	13.92	8.25

The accompanying notes are an integral part of these financial statements

1 and 2


This is the statement of profit and loss referred to in our report of even date

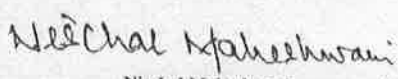
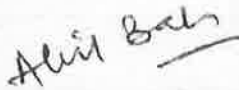
For Price Waterhouse Chartered Accountants LLP

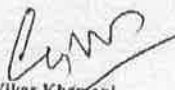
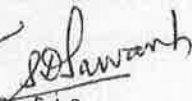

For and behalf of the Board of Directors

Chartered Accountants

Firm Registration No.: 012754N / N500016


Sharad Agarwal
Partner
Membership No: 118522

 
Nischal Maheshwari
Executive Director
DIN : 00279658
Atul Bapna
Executive Director
DIN : 07376744

  
Vikas Khemani
Chief Executive Officer
Sandesh Sawant
Chief Financial Officer
Pooja Boshi
Company Secretary

Mumbai
2 May 2018

Mumbai
2 May 2018

Edelweiss Securities Limited

Cash Flow Statement

(Currency : Indian rupees in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit before tax	407.04	326.79
Adjustments for		
Depreciation / amortisation	66.91	94.21
Provision for doubtful debts	(16.87)	(39.09)
(Profit) / loss on sale of fixed assets	(0.07)	0.15
Profit on sale of long term investment	-	(18.97)
Dividend on long term investment	(301.54)	(0.70)
Interest expense and discount on commercial paper	843.21	1,027.29
Operating cash flow before working capital changes	998.68	1,389.68
(Less) / Add : Adjustments for working capital changes		
Decrease / (increase) in trade receivables	1,143.57	(593.84)
Decrease in inventories	-	0.13
Decrease in loans and advances	2,008.78	1,651.48
(Increase) / decrease in other assets	(1,347.26)	910.02
(Increase) / decrease in other non current assets	(4.23)	4,585.33
Increase / (decrease) in liabilities and provisions	569.27	(8,756.66)
Cash generated from operations	3,368.81	(813.86)
Income taxes (refunds) / paid (net)	(154.38)	113.20
Net cash generated from / (used in) operating activities - A	3,523.19	(927.06)
B Cash flow from investing activities		
Purchase of fixed assets	(35.44)	(72.77)
Sale of fixed assets	18.51	4.26
Purchase of long term investments	(60.00)	(813.85)
Sale of long term investments	250.00	201.08
Purchase of current investments	(480.00)	-
Dividend on long term investment	301.54	0.70
Net cash used in investing activities - B	(5.39)	(680.58)
C Cash flow from financing activities		
Redemption of preference shares (including premium there on)	(260.10)	-
Repayment of commercial paper (refer note 1)	(132.90)	(232.95)
(Repayment of) / proceeds from loan from group companies (refer note 1)	(5,476.34)	6,239.96
Proceeds from / (repayment of) secured loans (refer note 1)	2,001.98	(751.94)
Repayment of other loans (refer note 1)	(903.41)	(1,097.62)
Interest paid on loans	(775.49)	(742.57)
Dividend paid on equity shares	(301.46)	-
Dividend distribution tax paid	(0.12)	-
Net cash (used in) / generated from financing activities - C	(5,847.84)	3,414.88



Edelweiss Securities Limited

Cash Flow Statement (Continued)

(Currency : Indian rupees in millions)

Net (decrease) / Increase in cash and cash equivalents (A+B+C)

Cash and cash equivalent as at the beginning of the year
Cash and cash equivalent as at the end of the year

For the year ended
31 March 2018

For the year ended
31 March 2017

(2,330.04)

1,807.24

2,570.42

763.18

240.38

2,570.42

Notes:

- 1 Net figures have been reported on account of volume of transactions.
- 2 Component of cash and cash equivalents.

Cash and Cash equivalents

Cash in hand
Balances with banks
- in Current accounts

0.21

0.21

240.17

2,570.21

240.38

2,570.42

- 3 The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" specified under Section 133 of Companies Act, 2013 read with Paragraph 7 of the Companies (Accounts) Rules, 2014.

This is the cash flow statement referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration No.: 012754N / NS00016

For and behalf of the Board of Directors

Sharad Agarwal
Partner

Membership No: 118522

Nischal Maheshwari Atul Bapna

Nischal Maheshwari
Executive Director
DIN : 00279658

Atul Bapna
Executive Director
DIN : 07376744

Vikas Khemani

Chief Executive Officer

Mumbai

2 May 2018

Sandesh Sawant

Chief Financial Officer

Pooja Doshi

Company Secretary

Mumbai
2 May 2018

Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2018

(Currency : Indian rupees in millions)

1. Significant accounting policies

1.1 Company background

Edelweiss Securities Limited ('the Company') was incorporated on 20 August 1993. The Company is a 100% subsidiary of Edelweiss Financial Services Limited.

The Company is registered as a trading and clearing member with National Stock Exchange of India Limited ('NSEIL') and BSE Limited ('BSE') and Metropolitan Stock Exchange of India Limited ('MSEI') and provides broking services to its clients. The Company is also registered as a depository participant with Central Depository Services (India) Limited ('CDSL') and as a repository participant with National E-Repository Limited ('NERL'). The company is also acting as distributor for Mutual Funds.

1.2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuance to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or an addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for proceeding and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

1.3 Use of estimates

The preparation of the financial statements in conformity with the GAAP requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities disclosure of contingent liabilities on the date of the financial statement and reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statement. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency : Indian rupees in millions)

1.4 Revenue recognition

- Brokerage income is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related stock exchange expenses, service tax / goods and service tax and security transaction tax.
- Fee income is accounted for, on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Income from treasury operations comprises of profit/loss on sale of securities, profit/loss on equity and currency derivative instruments.
 - i) Profit/ loss on sale of securities are determined based on the weighted average cost of the securities sold.
 - ii) Realised profit/ loss on closed positions of all derivative instruments is recognised on final settlement on squaring-up of the contracts. All 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, market intermediary quotes, valuation techniques are 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.
- Research services fee income is accounted when there is reasonable certainty as to its receipts.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- Profit/loss on sale of investment is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.
- Warehouse charges have been netted off against warehouse expenses.
- Delayed payment charges are recognised on accrual basis.

1.5 Fixed assets and depreciation/ amortization

Property, Plant and Equipment and Capital work in progress

Property, Plant and Equipment are stated at cost of acquisition or construction, less accumulated depreciation and impairment losses, 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. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date.

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 Schedule II of the Act for calculating the depreciation.



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency : Indian rupees in millions)

1.5 Fixed assets and depreciation/ amortization (Continued)

The estimated useful lives of the fixed assets are as follows:

Class of asset	Useful life
Building (other than factory building)	60 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	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

Intangible fixed assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangible such as software is amortised over a period of 3 years based on its estimated useful life whichever is shorter.

MCX membership rights are amortised over a period of 3 years.

Goodwill is amortised over a period of 5 years.

Losses arising from the retirement of and gains or losses arising from disposal of fixed assets which are carried at cost, are recognised in the statement of profit and loss.

1.6 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. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. 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.



Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2018

(Currency : Indian rupees in millions)

1.7 Stock-in-trade

- a) The securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities, including from error trades, held as stock-in-trade are valued at lower of weighted average cost or market value.
- c) In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- d) Debt instruments held as stock in trade are valued at weighted average cost or realisable 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 non-current (long term) investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.

Non-current (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 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 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.

1.10 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 the statement of profit and loss of the year.

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 rate on the date of the transaction.



Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2018

(Currency : Indian rupees in millions)

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

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with The Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

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. Such 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 services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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.

Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

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 certain companies of the Group 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 the statement of profit and loss and corresponding liability on account of such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits are determined using the projected unit credit method.

1.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition / construction of qualifying assets are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.



Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2018

(Currency : Indian rupees in millions)

1.13 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 benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

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 benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially 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 with convincing evidence of realisation of these assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Minimum Alternate 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 realized.

1.14 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

1.15 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

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



Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2018

(Currency : Indian rupees in millions)

1.16 Provisions and contingences

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.

1.17 Presentation of financial assets and liabilities

Financial assets and liabilities are offset and the net amounts are presented in the Balance Sheet where the Company has a legal right to set off the recognised amounts. Such legal rights are by virtue of a binding legal contract or by an irrevocable undertaking executed by the Company. The aforesaid policy is generally applied to offset receivables from and payables to same counterparties.



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.1 Share capital		
Authorised :		
27,540,000 (Previous year: 27,540,000) equity shares of ₹ 10 each	275.40	275.40
460,000 (Previous year: 460,000) preference shares of ₹ 10 each	4.60	4.60
	<u>280.00</u>	<u>280.00</u>
Issued, Subscribed and Paid up:		
26,213,676 (Previous year: 26,213,676) equity shares of ₹ 10 each, fully paid-up (the entire Equity Share Capital is held by Edelweiss Financial Services Limited, the holding company and its nominees)	262.14	262.14
Nil (Previous year: 260,000) 7% redeemable non-cumulative non-convertible preference shares of ₹ 10 each, fully paid up [All the above 260,000 preference shares of ₹ 10 each were held by Edelweiss Commodities Services Limited, a fellow subsidiary]	-	2.60
Nil (Previous year: 9,575) 9% Non-Cumulative Redeemable Preference Shares of ₹ 10 each, fully paid up (All the above 9,575 Preference Shares of ₹ 10 each were held by Edelweiss Financial Services Limited, the holding Company)	-	0.10
	<u>262.14</u>	<u>264.84</u>

a. Movement in share capital :

(i) Equity shares

Outstanding at the beginning
Shares issued during the year
Outstanding at the end of the year

31 March 2018		31 March 2017	
No of shares	Amount	No of shares	Amount
26,213,676	262.14	26,213,676	262.14
-	-	-	-
<u>26,213,676</u>	<u>262.14</u>	<u>26,213,676</u>	<u>262.14</u>

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

Edelweiss Financial Services Limited, the holding company

31 March 2018			31 March 2017		
No of shares	Amount	%	No of shares	Amount	%
26,213,676	262.14	100%	26,213,676	262.14	100%
<u>26,213,676</u>	<u>262.14</u>	<u>100%</u>	<u>26,213,676</u>	<u>262.14</u>	<u>100%</u>

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

Edelweiss Financial Services Limited and its nominees

31 March 2018		31 March 2017	
No of shares	%	No of shares	%
26,213,676	100%	26,213,676	100%
<u>26,213,676</u>	<u>100%</u>	<u>26,213,676</u>	<u>100%</u>



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.1 Share capital (Continued)

(ii) Preference shares

7% Redeemable Non-Cumulative Non-convertible Preference Shares of ₹ 10 each, fully paid up

	31 March 2018		31 March 2017	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning	260,000	2.60	260,000	2.60
Issued during the year	-	-	-	-
Redeemed during the year	260,000	2.60	-	-
Outstanding at the end of the year	-	-	260,000	2.60

9% Redeemable Non-Cumulative Non-convertible Preference Shares of ₹ 10 each, fully paid up

	31 March 2018		31 March 2017	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning	9,575	0.10	9,575	0.10
Shares issued during the year	-	-	-	-
Shares redeemed during the year	9,575	0.10	-	-
Number of shares at the end	-	-	9,575	0.10

7% Non-cumulative Non-convertible Redeemable Preference Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	31 March 2018			31 March 2017		
	No of shares	Amount	%	No of shares	Amount	%
Edelweiss Commodities Services Limited, the fellow subsidiary	-	-	-	260,000	2.60	100%
	-	-	-	260,000	2.60	100%

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

	31 March 2018			31 March 2017		
	No of shares	Amount	%	No of shares	Amount	%
Edelweiss Commodities Services Limited	-	-	-	260,000	2.60	100%
	-	-	-	260,000	2.60	100%

9% Redeemable non-cumulative preference Shares Preference Shares held by holding / ultimate holding company and / or their subsidiaries / associates

	31 March 2018			31 March 2017		
	No of shares	Amount	%	No of shares	Amount	%
Edelweiss Financial Services Limited, the holding company	-	-	-	9,575	0.10	100%
	-	-	-	9,575	0.10	100%

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

	31 March 2018			31 March 2017		
	No of shares	Amount	%	No of shares	Amount	%
Edelweiss Financial Services Limited	-	-	-	9,575	0.10	100%
	-	-	-	9,575	0.10	100%

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

c. Terms of conversion/repayment of 7% non-cumulative non-convertible redeemable preference shares:

260,000 7% non-cumulative non-convertible redeemable preference shares of ₹ 10 each were issued at ₹ 1000 per share on 22 February 2012. The preference shares were redeemed at ₹ 1000 per share on 28 March 2018.

d. Terms of Redemption of 9% Redeemable Non-Cumulative Preference Shares :

9,575 9% redeemable non-cumulative preference shares of ₹ 10 each were issued at par on 30 May 2014. The preference shares were redeemed at ₹ 10 per share on 28 March 2018.



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.2 Reserves and surplus		
Capital redemption reserve - opening balance	-	-
Add : Additions during the year	2.70	-
	<u>2.70</u>	<u>-</u>
Securities premium account - opening balance	1,064.78	1,064.78
Less : Utilisation on redemption of preference shares	257.40	-
	<u>807.38</u>	<u>1,064.78</u>
General reserve - opening balance	112.11	112.11
Less : Transferred to Capital Redemption Reserve	2.70	-
	<u>109.41</u>	<u>112.11</u>
Surplus in statement of profit and loss		
Opening balance	3,285.12	3,068.79
Add: Profit for the year	365.05	216.33
Amount available for appropriation	<u>3,650.17</u>	<u>3,285.12</u>
Appropriations:		
Interim dividend	301.46	-
Dividend distribution tax	0.16	-
Dividend on preference shares	0.19	-
	<u>3,348.36</u>	<u>3,285.12</u>
	<u>4,267.85</u>	<u>4,462.01</u>



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.3 Other long term liabilities		
Others		
Deposits from sub-brokers	0.26	0.26
	<u>0.26</u>	<u>0.26</u>
2.4 Long-term provisions		
Provision for employee benefits		
Compensated leave absences	10.93	11.42
	<u>10.93</u>	<u>11.42</u>



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.5 Short-term borrowings		
<u>Secured</u>		
Bank overdraft	2,491.81	489.83
(Secured by way of pledge of hypothecation of fixed deposit and property (refer note 2.35))		
	<u>2,491.81</u>	<u>489.83</u>
<u>Unsecured</u>		
Loans and advances from related parties	1,087.52	6,563.86
(repayable on demand, at variable rate of interest from 8.97% to 10.00% p.a. (Previous year: ranging from 9.30% to 11.09% p.a.))		
Bank overdraft	401.22	1,304.63
	<u>1,488.74</u>	<u>7,868.49</u>
	<u>3,980.55</u>	<u>8,358.32</u>
2.6 Trade / customer accounts payables		
Micro, small and medium enterprises (refer note 2.38)	0.03	-
Trade payables to other parties	1,943.76	1,068.18
(includes trade payables, provision for expenses and customer payables)		
	<u>1,943.79</u>	<u>1,068.18</u>



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.7 Other Current Liabilities		
Interest accrued and due on borrowings	4.77	69.95
Interest accrued and due on margin	0.35	0.17
Income received in advance	7.88	6.16
Other payables *		
Accrued salaries and benefits	397.56	534.98
Payable to exchange / clearing house	1.35	907.06
Withholding tax, service tax and other statutory dues payable	99.87	111.10
Margin payable to client	2.30	734.72
Book overdraft	1,487.74	13.24
Others	34.15	22.34
* There are ₹ Nil (Previous year: ₹ Nil) amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act 2013 as at the year end.		

2,035.97

2,399.72

2.8 Short-term provisions

Provision for employee benefits		
Compensated leave absences	2.34	2.42
Deferred bonus	-	7.20
Others		
Proposed dividend	0.19	-
Dividend distribution tax	0.04	-
Taxation (Net of advance tax and tax deducted at source ₹ 612.49 (Previous year ₹ 441.64))	153.68	146.27
	156.25	155.89



Edelweiss Securities Limited

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

2.9 Fixed assets

Description of Assets	Gross Block			Depreciation / Amortisation		Net Block	
	As at 1 April 2017	Additions during the year	Deductions / Adjustments during the year	As at 31 Mar 2018	For the year	As at 31 Mar 2018	As at 31 Mar 2018
Property, Plant and Equipment							
Building (refer note 2.35)	273.03	-	-	273.03	10.30	77.37	195.66
Leasehold improvements	53.63	-	0.69	52.94	3.68	50.74	2.20
Furniture and Fixtures	7.82	0.05	0.07	7.80	0.71	5.64	2.16
Vehicles	90.52	0.22	48.80	41.94	7.80	27.68	14.26
Office equipment	47.09	1.06	25.16	22.99	1.97	20.32	2.67
Computers	247.62	18.30	66.11	199.81	32.11	150.80	49.01
Total : A	719.71	19.63	140.83	598.51	56.57	332.55	265.96
Intangible assets							
Computer software	79.13	42.03	-	121.16	8.94	77.46	43.70
Goodwill	8.65	-	-	8.65	1.40	8.65	-
MCX-Membership	1.00	-	-	1.00	-	1.00	-
Total : B	88.78	42.03	-	130.81	10.34	87.11	43.70
Grand Total [A+B]	808.49	61.66	140.83	729.32	66.91	419.66	309.66



Edelweiss Securities Limited

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

2.9 Fixed assets (Continued)

Description of Assets	As at 1 April 2016	Additions during the year	Gross Block Deductions / Adjustments during the year	As at 31 March 2017	As at 1 April 2016	Depreciation / Amortisation For the year	Deductions during the year	As at 31 March 2017	Net Block As at 31 March 2017
Property, Plant and Equipment									
Building (refer note 2.35)	273.03	-	-	273.03	56.24	10.83	-	67.07	205.96
Leasehold improvements	49.75	4.59	0.71	53.63	40.47	7.99	0.71	47.75	5.88
Furniture and Fixtures	8.94	0.40	1.52	7.82	5.30	1.03	1.35	4.98	2.84
Vehicles	86.85	14.98	11.31	90.52	44.72	15.80	9.07	51.45	39.07
Office equipment	49.74	1.67	4.32	47.09	43.43	3.72	4.06	43.09	4.00
Computers	276.33	36.16	64.87	247.62	211.99	35.17	63.13	184.03	63.59
Total : A	744.64	57.80	82.73	719.71	402.15	74.54	78.32	398.37	321.34
Intangible assets									
Computer software	76.18	2.95	-	79.13	50.25	18.27	-	68.52	10.61
Goodwill	8.65	-	-	8.65	5.85	1.40	-	7.25	1.40
MCX-Membership	1.00	-	-	1.00	1.00	-	-	1.00	-
Total : B	85.83	2.95	-	88.78	57.10	19.67	-	76.77	12.01
Grand Total [A+B]	830.47	60.75	82.73	808.49	459.25	94.21	78.32	475.14	333.35



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2018			As at 31 March 2017		
	Face value	Quantity	Amount	Face value	Quantity	Amount
2.10 Non-current investments - at cost						
I. Others (quoted)						
Investments in equity instruments of other companies (fully paid up)						
Bombay Stock Exchange Limited		2	5,700		1	11,401
			0.75			0.75
			<u>0.75</u>			<u>0.75</u>
II. Others (unquoted)						
A. Investments in equity instruments of subsidiary companies (fully paid up)						
Edelweiss Comtrade Limited	10	29,000,000	290.13	10	23,000,000	230.13
Edelweiss Custodial Services Limited	10	6,267,500	714.78	10	6,267,500	714.78
Edelweiss Securities (Hong Kong) Private Limited	HKD 1	5,818,566	46.61	HKD 1	5,818,566	46.61
Edelweiss Financial Services Inc	USD 1.25 million	1	79.67	USD 1.25 million	1	79.67
Edelweiss Financial Services (UK) Limited	GBP 1	300,000	26.26	GBP 1	300,000	26.26
Subtotal (A)			<u>1,157.45</u>			<u>1,097.45</u>
B. Investments in equity instruments of associate companies (fully paid up)						
Dahlia Commodities Services Private Limited	10	100,000	1.00	10	100,000	1.00
Magnolia Commodities Services Private Limited	10	100,000	1.00	10	100,000	1.00
Subtotal (B)			<u>2.00</u>			<u>2.00</u>
C. Investments in equity instruments of other companies (fully paid up)						
ECL Finance Limited	10	97,416,683	532.88	10	97,416,683	532.88
Edelweiss Finvest Private Limited [formerly Arum Investments Private Limited]	10	1,259,394	69.19	10	1,105,186	30.64
Edelweiss Asset Reconstruction Company Limited	10	14,450,000	307.09	10	14,450,000	307.09
Subtotal (C)			<u>909.16</u>			<u>870.61</u>
D. Investments in preference shares of other companies (fully paid up)						
(i) 7% Non cumulative non convertible redeemable preference shares						
Edelweiss Commodities Services Limited	10	1,000,000	1,000.00	10	1,000,000	1,000.00
Edelcap Securities Limited	10	22,500,000	450.00	10	22,500,000	450.00
			<u>1,450.00</u>			<u>1,450.00</u>
(ii) 0.01% Compulsorily Convertible Non-Cumulative Preference shares						
Edelweiss Finvest Private Limited [formerly Arum Investments Private Limited]	-	-	-	10	154,208	38.55
			<u>-</u>			<u>38.55</u>
(iii) 0.01% Non-Cumulative non convertible redeemable preference shares						
Edelweiss Global Wealth Management Limited	-	-	-	10	2,500,000	250.00
			<u>-</u>			<u>250.00</u>
Subtotal (D) (i + ii + iii)			<u>1,450.00</u>			<u>1,738.55</u>
Total (A+B+C+D)			<u>3,518.61</u>			<u>3,708.61</u>
Total (I + II)			<u>3,519.36</u>			<u>3,709.36</u>
Aggregate of quoted investment						
- At book value			0.75			0.75
- At market value			4.31			11.15
Aggregate of unquoted investment						
- At carrying value			3,518.61			1,970.06
- Aggregate provisions for diminution in value of investments			-			-



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.11 Deferred tax assets		
Deferred tax assets on account of :		
Difference between book and tax depreciation	10.55	10.05
Provision for doubtful debts	20.95	27.56
Disallowances under section 43B of the Income Tax Act, 1961	8.17	11.16
	<u>39.67</u>	<u>48.77</u>
2.12 Long-term loans and advances		
<u>Unsecured, considered good</u>		
Security deposits		
Rental deposits	15.40	35.04
Deposits placed with/ for exchange/ depositories	25.46	25.46
Other deposits	7.76	7.97
Other loans and advances		
Advance income taxes (net of provision for taxation ₹ 1,529.88 (Previous year ₹ 1,439.56))	954.00	1,047.30
	<u>1,002.62</u>	<u>1,115.77</u>
2.13 Other non-current assets		
Contribution to gratuity fund (net) (refer note 2.37)	5.63	4.24
Accrued interest on fixed deposit	0.18	-
Long term deposits with banks (refer note 2.35)	2,037.08	2,034.42
	<u>2,042.89</u>	<u>2,038.66</u>



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.14 Current Investment

	Face Value	As at 31 March 2018		Face Value	As at 31 March 2017	
		Quantity	Amount		Quantity	Amount
I. Others (quoted)						
BOI Axa Treasury Advantage Fund - Direct - Growth	10	225,881	480.00	-	-	-
			<u>480.00</u>			<u>-</u>
Aggregate of quoted investment						
At carrying value			480.00			-
Aggregate provisions for diminution in value of investments			-			-



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.15 Stock-in-trade

	As at 31 March 2018			As at 31 March 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
A. Equity shares (quoted)						
India Bulls Ventures Limited [Formerly known as India Bulls Securities Limited] *	10	25	0.00	10	25	0.00
			<u>0.00</u>			<u>0.00</u>
B. Equity shares (unquoted)						
TCS E-serve Limited *	10	1	0.00	10	1	0.00
FCI OEN Connectors Limited	10	1	-	10	1	-
			<u>0.00</u>			<u>0.00</u>
C. Preference shares (unquoted)						
JSW Ispat Steel Limited (Formerly Ispat industries Limited)	10	6,000	0.13	10	6,000	0.13
			<u>0.13</u>			<u>0.13</u>
			<u>0.13</u>			<u>0.13</u>
Aggregate of quoted stock in trade in equity shares						
- At book value *			0.00			0.00
- At market value *			0.01			0.00
Aggregate of unquoted stock in trade in equity shares						
- At carrying value *			0.00			0.00
Aggregate provisions for diminution in value of investments			-			-
Aggregate of unquoted stock in trade in preference shares						
- At carrying value			0.13			0.13
Aggregate provisions for diminution in value of investments			-			-

* Amount is less than ₹ 0.01 million



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.16 Trade / customer accounts receivables		
Secured, considered good		
Outstanding for a period exceeding six months	-	6.92
Others	-	-
	<u>-</u>	<u>6.92</u>
Unsecured, considered good		
Outstanding for a period exceeding six months	0.06	0.02
Others	358.26	1,478.08
	<u>358.32</u>	<u>1,478.10</u>
Unsecured, considered doubtful		
Outstanding for a period exceeding six months	33.44	58.61
Others	29.32	21.02
	<u>62.76</u>	<u>79.63</u>
Provision for doubtful debts	62.76	79.63
	<u>-</u>	<u>-</u>
	<u>358.32</u>	<u>1,485.02</u>
2.17 Cash and bank balances		
Cash and Cash equivalents		
Cash in hand (refer note 2.44)	0.21	0.21
Balances with banks		
- in Current accounts	240.17	2,570.21
	<u>240.38</u>	<u>2,570.42</u>
Other bank balances		
- Short term deposits with banks (refer note 2.35)	3,049.78	4,939.15
(held as margin money or security against borrowings)		
	<u>3,290.16</u>	<u>7,509.57</u>



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2018	As at 31 March 2017
2.18 Short-term loans and advances		
<u>Unsecured, considered good</u>		
Other loans and advances		
Deposits placed with/ for exchange/ depositories	21.40	72.36
Loans and advances to employees	2.59	9.82
Vendor advances	2.86	22.36
Input tax credit	30.17	55.20
Advance tax and tax deducted at source (net of provision for taxation ₹ 96.03 (Previous year ₹ 8.66))	47.55	123.61
MAT credit entitlement	58.85	69.35
Advances recoverable in cash or in kind or for value to be received	22.43	19.27
	185.85	371.97
2.19 Other Current Assets		
<u>Unsecured, considered good</u>		
Accrued interest on fixed deposits	34.39	30.92
Receivable from exchange / clearing house	1,393.96	50.17
	1,428.35	81.09



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.20 Fee and commission income		
Income from broking (net) (refer note 2.40)	1,932.51	1,732.65
Advisory and other fees	183.92	272.93
	2,116.43	2,005.58
2.21 Income from treasury operations and investments		
Loss on trading of securities (net)	(4.77)	(5.25)
Loss on trading in equity derivative instruments (net)	(16.54)	(20.17)
(Loss) / profit on trading in currency derivative instruments (net)	(0.02)	0.18
Profit on sale of long term investment	-	18.97
Dividend on stock in trade	0.16	0.09
Dividend on long term investment	301.54	0.70
	280.37	(5.48)
2.22 Interest income		
On intercorporate deposits	-	200.94
On fixed deposits	655.47	1,509.68
On debt instrument	0.13	0.12
On others	0.12	2.53
	655.72	1,713.27
2.23 Other operating revenue		
Interest income on margin with clearing member	17.31	-
Delayed payment charges	3.82	108.78
Rental income	8.44	-
	29.57	108.78
2.24 Other income		
Sale of software	111.90	-
Profit on sale of fixed assets (net)	0.07	-
Miscellaneous income	0.26	0.21
Interest income - others	20.11	3.57
	132.34	3.78



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2018	For the period ended 31 March 2017
2.25 Employee benefit expenses		
Salaries, wages and bonus	1,066.62	1,463.04
Contribution to provident and other funds	41.44	39.50
Staff welfare expenses	30.65	37.73
	1,138.71	1,540.27
2.26 Finance costs		
Interest on bank overdraft	68.58	189.80
Interest on loan from holding company	1.85	6.79
Interest on loan from fellow subsidiaries	608.65	563.44
Interest on margin	7.01	67.33
Interest - others	1.41	0.22
Discount on commercial paper	132.90	232.95
Financial and bank charges	19.70	34.09
Interest on loan – others	10.12	-
	850.22	1,094.62



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the period ended 31 March 2018	For the period ended 31 March 2017
2.27 Other expenses		
Advertisement and business promotion	28.48	23.28
Auditors' remuneration (refer below)	3.44	3.91
Bad- debts and advances written off	37.77	47.96
Commission and brokerage	2.00	7.35
Communication	87.84	90.56
Computer expenses	6.45	24.73
Computer software	41.97	38.92
Contribution towards corporate social responsibility (refer note 2.41)	1.52	0.50
Clearing and custodian charges	0.01	0.01
Dematerialisation charges	4.45	6.53
Directors' sitting fees	0.48	0.50
Donation	0.05	0.02
Electricity charges	11.11	24.29
Foreign exchange loss (net)	0.34	0.68
Insurance	1.69	0.58
Legal and professional fees	180.05	108.72
Loss on sale/ write-off of fixed assets (net)	-	0.15
Membership and subscription	67.63	68.99
Office expenses	61.24	101.88
Postage and courier	3.53	2.35
Printing and stationery	8.22	8.51
Provision for doubtful debts	(16.87)	(39.09)
Rates and taxes	13.36	0.49
Rating support fees	0.15	11.60
Rent (refer note 2.36)	84.62	128.54
Repairs and maintenance - others	-	2.69
ROC expenses	-	0.09
Seminar and conference	21.65	18.44
Service tax expenses	(9.25)	(35.36)
Site related expenses	0.32	0.56
Stamp duty	31.20	40.53
Stock exchange expenses	2.13	2.83
Travelling and conveyance	70.24	66.60
Miscellaneous expenses	5.73	11.70
	751.55	770.04
Auditor's Remuneration		
As Auditor	3.24	3.64
For reimbursement of expenses	0.20	0.27
	3.44	3.91



Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.28 Segment reporting

Primary Segment (Business Segment)

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

Segment	Activities covered
Agency business	Broking and advisory services
Capital based business	Income from treasury operations and income from investment and dividend

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identifiable 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:



Edelweiss Securities Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.28 Segment reporting (Continued)

Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
I Segment Revenue		
a) Agency business	2,883.75	3,600.38
b) Capital based business	310.82	222.65
c) Unallocated	19.86	2.90
Total Income	3,214.43	3,825.93
II Segment Results		
a) Agency business	764.56	293.11
b) Capital based business	(373.94)	34.78
c) Unallocated	16.42	(1.10)
Total	407.04	326.79
Profit before taxation	407.04	326.79
Less : Provision for taxation	32.89	96.20
Less : MAT credit entitlement	-	-
Less : Deferred tax	9.10	14.26
Profit after taxation	365.05	216.33
Particulars	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
III Segment Assets		
a) Agency business	7,526.81	11,665.01
b) Capital based business	4,000.69	3,711.40
c) Unallocated	1,130.24	1,344.23
Total	12,657.74	16,720.64
IV Segment Liabilities		
a) Agency business	3,887.11	11,121.70
b) Capital based business	3,986.86	614.72
c) Unallocated	253.78	257.37
Total	8,127.75	11,993.79
V Capital Expenditure		
a) Agency business	61.43	60.67
b) Capital based business	0.23	0.08
c) Unallocated	-	-
Total	61.66	60.75
VI Depreciation and Amortisation		
a) Agency business	66.66	94.08
b) Capital based business	0.25	0.13
c) Unallocated	-	-
Total	66.91	94.21
VII Non cash expenditure other than depreciation		
a) Agency business	38.81	20.37
b) Capital based business	0.07	0.02
c) Unallocated	-	-
Total	38.88	20.39



Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.29 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

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

Edelweiss Financial Services Limited Holding company

(B) Subsidiaries/entities which are controlled by the Company

Edelweiss Comtrade Limited

Edelweiss Custodial Services Limited

Edelweiss Financial Services Inc

Edelweiss Financial Services (UK) Limited

Edelweiss Securities (Hong Kong) Private Limited

(C) Fellow subsidiaries with whom the Company has transactions:

Auris Corporate Centre Limited (merged with Ecap Equities Limited w.e.f 1st April 2017)

Burlington Business Solutions Limited (merged with Ecap Equities Limited w.e.f 1st April 2017)

EC Commodities Limited

Ecap Equities Limited

ECL Finance Limited

Edel Commodities Limited

Edel Commodities Trading Limited

Edel Finance Company Limited

Edel Investments Limited

Edel Land Limited

Edelcap Securities Limited

Edelgive Foundation

Edelweiss Agri Value Chain Limited [Formerly known as Edelweiss Integrated Commodity Management Limited]

Edelweiss Asset Reconstruction Company Limited

Edelweiss Broking Limited

Edelweiss Business Services Limited [Formerly known as Edelweiss Web Services Limited]

Edelweiss Capital Market Limited

Edelweiss Commodities Services Limited

Edelweiss Finance & Investments Limited

Edelweiss Finvest Private Limited [Formerly known as Arum Investments Private Limited]

Edelweiss Global Wealth Management Limited

Edelweiss Housing Finance Limited

Edelweiss Insurance Brokers Limited



Edelweiss Securities Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.29 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

(C) Fellow subsidiaries with whom the Company has transactions: (*Continued*)

Edelweiss Investment Advisors Pte Limited

Edelweiss Investment Advisor Limited

Edelweiss Land Limited

Edelweiss Retail Finance Limited [Formerly known as Affluent Dealcom Private Limited]

Edelweiss Tokio Life Insurance Company Limited

EFSL Comtrade Limited

EFSL Trading Limited [Formerly known as EFSL Commodities Limited]

Edelweiss Wealth Advisors LLP [Formerly known as Forefront Wealth Advisors LLP]

Eternity Business Centre Limited (merged with Ecap Equities Limited w.e.f 1st April 2017)

Olive Business Centre Limited (merged with Ecap Equities Limited w.e.f 1st April 2017)

Serenity Business Park Limited (merged with Ecap Equities Limited w.e.f 1st April 2017)

(D) Associate companies with whom the Company has transactions:

Magnolia Financial Services Private Limited

Dahlia Financial Services Private Limited

(E) Key Management Personnel (KMP):

Mr. Nischal Maheshwari Executive Director

Mr. Atul Bapna Executive Director

(F) Relatives of Key Management Personnel (KMP):

Nischal Maheshwari (HUF)

Anjana Maheshwari



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.29 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”: (Continued)

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2018	For the year ended 31 March 2017
Capital account transactions during the year				
1	Redemption of preference share of :-			
	- 7% redeemable non-cumulative non-convertible preference shares (including premium paid on redemption)	Edelweiss Commodities Services Limited	260.00	-
	- 9% Non-Cumulative Redeemable Preference Shares	Edelweiss Financial Services Limited	0.10	-
2	Investment in equity shares of	Edelweiss Comtrade Limited	60.00	120.00
		Edelweiss Custodial Services Limited	-	100.75
		Edelweiss Financial Services (UK) Limited	-	19.08
		Edelweiss Financial Services Inc.	-	16.93
3	Sale of investment to	Ecap Equities Limited	-	201.08
4	Investment in preference shares of	Edelweiss Global Wealth Management Limited(Formerly FINPRO)	-	250.00
5	Redemption of preference shares of	Edelweiss Global Wealth Management Limited(Formerly FINPRO)	250.00	-
Current account transaction				
6	Short term loans taken from (refer note 1 and 3)	Edelweiss Financial Services Limited	-	968.18
		Edelweiss Commodities Services Limited	9,200.37	12,730.51
7	Short term loans repaid to (refer note 1 and 3)	Edelweiss Financial Services Limited	42.65	1,249.43
		Edelweiss Commodities Services Limited	14,634.28	6,209.31
8	Commercial papers issued to	Edelweiss Commodities Services Limited	14,920.45	40,269.35
9	Commercial papers redeemed by	Edelweiss Commodities Services Limited	-	2,270.00
Secondary market transaction				
10	Margin received from (refer note 1)	Edelweiss Financial Services Limited	0.30	3.81
		ECL Finance Limited	0.43	1,681.69
		Edelcap Securities Limited	75.22	1,698.54
		Ecap Equities Limited	578.28	355.38
		Edelweiss Broking Limited	-	4,482.08
		Magnolia Financial Services Private Limited	0.31	2,316.64
		Edel Commodities Trading Limited	-	3,313.95
		Others - Subsidiaries	-	74.23
		Others - Fellow Subsidiaries	53.00	2,217.66
		Others - Associates	-	150.34
11	Margin paid to (refer note 1)	Edelweiss Financial Services Limited	0.01	58.50
		ECL Finance Limited	1.25	2,692.07
		Ecap Equities Limited	557.18	491.67
		Edelweiss Broking Limited	68.94	6,735.50
		Edel Commodities Trading Limited	-	3,490.92
		Magnolia Financial Services Private Limited	20.00	2,380.61
		Others - Fellow Subsidiaries	167.22	7,149.84
		Others - Subsidiaries	-	164.64
		Others - Associates	36.29	193.48
12	Credited for equity segment (refer note 1)	Ecap Equities Limited	1,954.77	919.95
		Edelcap Securities Limited	2,820.40	422.27
		Edelweiss Finvest Pvt Ltd [Formerly known as Arum Investments Private Limited]	352.23	885.68
		ECL Finance Limited	850.06	1,538.69
		Edelweiss Wealth Advisors LLP [Formerly known as Forefront Wealth Advisors LLP]	1,740.45	-
		Others - Fellow Subsidiaries	1,619.03	983.44
		Others - Associates	149.27	176.37
		Others - Relatives of Key Management Personnel	-	9.96



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.29 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”: (Continued)

ii. Transactions with related parties : (Continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2018	For the year ended 31 March 2017
13	Debited for equity segment (refer note 1)	Ecap Equities Limited	321.95	1,621.29
		Edelcap Securities Limited	2,332.41	925.10
		Edelweiss Finvest Pvt Ltd [Formerly known as Arum Investments Private Limited]	367.71	870.16
		ECL Finance Limited	856.19	2,131.68
		Edelweiss Wealth Advisors LLP [Formerly known as Forefront Wealth Advisors LLP]	1,740.45	-
		Others - Fellow Subsidiaries	1,616.41	684.45
		Others - Associates	149.27	176.37
		Others - Key Management Personnel Relatives	-	6.13
14	Purchase of debt instruments from	Edelweiss Finance & Investments Limited	753.66	960.94
		Edelweiss Commodities Services Limited	146.23	33.87
15	Sale of debt instruments to	ECL Finance Limited	-	767.45
16	Brokerage income earned from	Edelweiss Financial Services Limited	0.12	0.10
		Edelcap Securities Limited	17.10	48.98
		Ecap Equities Limited	113.27	19.30
		Magnolia Financial Services Private Limited	71.07	36.63
		EFSL Comtrade Limited	29.84	16.90
		Edel Commodities Trading Limited	-	26.40
		EFSL Trading Limited (Formerly EFSL Commodities Limited)	7.08	24.45
		Others - Subsidiaries	-	0.30
		Others - Fellow Subsidiaries	19.93	23.20
		Others - Associates	0.98	1.13
		Others - Relatives of Key Management Personnel	-	0.01
17	Clearing charges income received from	Edelweiss Financial Services Limited	-	0.06
		Others - Subsidiaries	-	0.07
		Others - Fellow Subsidiaries	-	2.87
		Others - Associates	-	0.34
18	Brokerage and commission expenses paid to	Edelweiss Broking Limited	125.20	443.78
		Others - Fellow Subsidiaries	1.94	7.14
19	Interest received on margin from	Edelweiss Custodial Services Limited	17.31	-
20	Rent income received from	Edelweiss Financial Services Limited	0.47	-
		ECL Finance Limited	1.90	-
		Edelweiss Custodial Services Limited	5.46	-
		Others - Fellow Subsidiaries	0.61	-
21	Interest expenses on loan taken from	Edelweiss Financial Services Limited	1.85	6.79
		Edelweiss Commodities Services Limited	608.65	563.44
22	Warehousing income received from	Edelweiss Commodities Services Limited	-	5.96
		Others - Subsidiaries	-	0.01
		Others - Fellow Subsidiaries	-	0.17
23	Interest expenses on margin placed by	Edelweiss Financial Services Limited	0.01	0.30
		ECL Finance Limited	0.02	11.15
		Ecap Equities Limited	1.38	1.24
		Edelcap Securities Limited	0.93	5.17
		Edel Commodities Trading Limited	-	6.93
		Others - Subsidiaries	-	0.52
		Others - Fellow Subsidiaries	0.57	19.97
		Others - Associates	0.09	5.01
24	Interest expenses on lease	Edel Finance Company Limited	-	0.00



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.29 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”: (Continued)

ii. Transactions with related parties : (Continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2018	For the year ended 31 March 2017
25	Profit on sale of equity shares	Ecap Equities Limited	-	18.97
26	Dividend income on preference shares received from	Edelweiss Commodities Services Limited	0.70	0.70
27	Dividend income on equity shares received from	Edelweiss Custodial Services Limited	300.84	-
28	Rating fees expenses paid to	Edelweiss Financial Services Limited	0.15	11.60
29	Legal and professional fees expenses paid to	Edelweiss Financial Services Inc.	23.14	14.96
		Edelweiss Investment Advisors Pte Limited	44.43	45.55
		Edelweiss Business Services Limited [Formerly known as Edelweiss Web Services Limited]	65.34	0.66
		Others - Fellow Subsidiaries	9.22	-
30	Contribution towards corporate social responsibility	Edelgive Foundation	1.52	0.50
31	Computer expenses paid to	Edelweiss Commodities Services Limited	0.02	-
		Ecap Equities Limited	0.00	-
32	Office expenses paid to	EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.08	-
		Edelweiss Commodities Services Limited	0.19	-
		Ecap Equities Limited	0.06	-
33	Printing and stationary expenses paid to	EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.00	-
34	Repair and maintainance expenses paid to	EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.04	-
		Edelweiss Commodities Services Limited	0.08	-
		Ecap Equities Limited	0.02	-
35	Travelling and conveyance expenses paid to	EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.01	-
36	Miscellaneous expenses recovered from	EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.05	-
37	Communication expenses recovered from	Edelweiss Tokio Life Insurance Company Limited	-	0.43
		EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.15	0.60
38	Computer expenses recovered from	Edelweiss Financial Services Limited	0.02	-
		Edelweiss Tokio Life Insurance Company Limited	-	0.03
		EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.04	0.02
		Edelweiss Broking Limited	0.26	-
		Others - Fellow Subsidiaries	0.14	-
		Others - Subsidiaries	0.03	-
39	Computer software expenses recovered from	EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.01	-
40	Travelling and conveyance recovered from	EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.09	1.35
41	Electricity expenses paid to	Edelweiss Commodities Services Limited	10.08	8.45
		Eternity Business Centre Limited	-	1.32
		Others - Fellow Subsidiaries	0.66	0.96
42	Electricity expenses recovered from	Edelweiss Financial Services Limited	0.68	-
		EFSL Trading Limited (Formerly EFSL Commodities Limited)	-	2.01
		Edelweiss Broking Limited	5.02	-
		Others - Fellow Subsidiaries	2.06	-
		Others - Subsidiaries	0.50	-
43	Insurance expenses reimbursed to	Edelweiss Financial Services Limited	-	7.83
44	Legal and professional fees expenses recovered from	EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.03	15.65
		Edelweiss Tokio Life Insurance Company Limited	-	0.27
45	Membership & subscription expenses recovered from	EFSL Trading Limited (Formerly EFSL Commodities Limited)	1.19	1.36
		Edelweiss Tokio Life Insurance Company Limited	-	0.01
46	Office expenses recovered from	Edelweiss Financial Services Limited	0.54	-
		Edelweiss Tokio Life Insurance Company Limited	-	0.23
		EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.03	0.89
		Edelcap Securities Limited	0.62	-
		Edelweiss Broking Limited	2.74	-
		Others - Fellow Subsidiaries	1.33	-
		Others - Subsidiaries	0.30	-



Edelweiss Securities Limited

Notes to the financial statements (Continued)

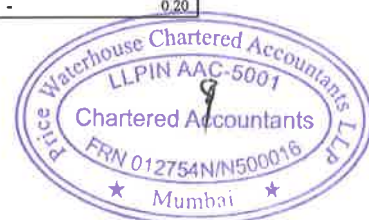
for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.29 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”: (Continued)

ii. Transactions with related parties : (Continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2018	For the year ended 31 March 2017
47	Printing & stationary expenses recovered from	EFSL Trading Limited (Formerly EFSL Commodities Limited)	-	0.04
48	Repairs & maintenance expenses recovered from	Edelweiss Financial Services Limited	0.06	-
		EFSL Trading Limited (Formerly EFSL Commodities Limited)	-	0.18
		ECL Finance Limited	0.14	-
		Edelweiss Broking Limited	0.49	-
		Others - Fellow Subsidiaries	0.39	-
		Others - Subsidiaries	0.04	-
49	Staff welfare expenses recovered from	EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.39	1.79
50	Business Promotion exps paid to	EFSL Trading Limited (Formerly EFSL Commodities Limited)	-	0.02
51	Cost reimbursements paid to	EFSL Trading Limited (Formerly EFSL Commodities Limited)	-	-
52	Cost reimbursements recovered from	EFSL Trading Limited (Formerly EFSL Commodities Limited)	-	0.49
53	Dividend paid on equity	Edelweiss Financial Services Limited	301.46	-
54	Fee received from	ECL Finance Limited	-	0.05
55	Other Reimbursements paid to	Edelweiss Financial Services Limited	0.09	0.21
		Edelweiss Broking Limited	2.21	-
		Edelweiss Business Services Limited [Formerly known as Edelweiss Web Services Limited])	19.38	834.89
		Others - Fellow Subsidiaries	0.15	0.78
56	Other Reimbursements (ESOP) recovered from	Edelweiss Financial Services Limited	580.24	62.40
57	Remuneration paid to (refer note 2)	Key Management Personnel	13.68	6.79
58	Rent expenses paid to	Edelweiss Commodities Services Limited	49.17	54.38
		Edelweiss Broking Limited	6.44	21.76
		Ecap Equities Limited	6.58	-
		Eternity Business Centre Limited	-	12.33
		Others - Fellow Subsidiaries	0.23	-
		Others - Subsidiaries	1.58	-
59	Processing fees expenses paid to	Edelweiss Business Services Limited [Formerly known as Edelweiss Web Services Limited])	-	0.27
60	Web site related expenses paid to	Edelweiss Business Services Limited [Formerly known as Edelweiss Web Services Limited])	-	0.05
61	Rent recovered from	Edelweiss Financial Services Limited	1.00	-
		Edelweiss Tokio Life Insurance Company Limited	-	3.00
		EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.96	10.25
		Edelweiss Insurance Brokers Limited	1.62	-
		Edelweiss Broking Limited	5.12	-
		Others - Fellow Subsidiaries	4.43	-
		Others - Subsidiaries	2.37	-
62	Transfer of gratuity liability to	Edelweiss Financial Services Limited	-	0.59
		Edelweiss Business Services Limited [Formerly known as Edelweiss Web Services Limited])	7.14	0.12
		Edelcap Securities Limited	0.35	1.01
		Edelweiss Broking Limited	4.22	0.17
		Edelweiss Custodial Services Limited	1.47	0.13
		Edelweiss Finance & Investments Limited	-	0.54
		Edelweiss Agri Value Chain Limited [Formerly Edelweiss Integrated Commodity Management Limited]	-	0.70
		Ecap Equities Limited	0.07	0.88
		Others - Subsidiaries	-	0.12
		Others - Fellow Subsidiaries	1.23	0.29
63	Transfer of gratuity assets to	Edelweiss Capital Market Limited	0.19	-
		Edelweiss Asset Reconstruction Company Limited	-	0.06
		EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.30	-
		Others - Fellow Subsidiaries	0.05	-
64	Nomination deposit received from	Edelweiss Comtrade Limited	0.30	-
		Edelweiss Custodial Services Limited	0.30	-
		Burlington Business Solutions Limited	-	0.20



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.29 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”: (Continued)

ii. Transactions with related parties : (Continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2018	For the year ended 31 March 2017
65	Nomination deposit paid to	Edelweiss Financial Services Limited	0.30	-
66	Fixed assets sold to	Edelweiss Financial Services Limited	-	0.20
		Ecap Equities Limited	2.10	-
		Edelweiss Broking Limited	2.36	0.45
		Edelweiss Business Services Limited	6.43	0.05
		Edelweiss Agri Value Chain Limited	0.14	0.25
		EC Commodity Limited	-	0.20
		Others - Subsidiaries	0.33	-
		Others - Fellow Subsidiaries	6.33	0.11
67	Fixed assets purchased from	Edelweiss Business Services Limited [Formerly known as Edelweiss Web Services Limited])	0.07	-
		Edelweiss Commodities Services Limited	-	0.09
	Balances with related parties			
68	Short term loans taken from (refer note 1 & 3)	Edelweiss Financial Services Limited	-	42.65
		Edelweiss Commodities Services Limited	1,087.52	6,521.11
69	Trade payables to	Edelweiss Financial Services Limited	0.20	0.77
		Edelweiss Finance & Investments Limited	-	107.73
		Ecap Equities Limited	955.89	0.01
		EFSL Comtrade Limited	1.94	82.26
		Edel Investment Limited	183.01	0.18
		Others - Subsidiaries	26.35	7.65
		Others - Fellow Subsidiaries	248.02	57.89
		Others - Associates	2.34	0.36
70	Accrued interest expenses on loan taken	Edelweiss Financial Services Limited	-	0.41
		Edelweiss Commodities Services Limited	4.77	69.54
71	Accrued interest expenses on margin placed by	Edelweiss Financial Services Limited	-	0.00
		EFSL Trading Limited (Formerly EFSL Commodities Limited)	-	0.02
		EFSL Comtrade Limited	-	0.02
		Edel Land Limited	0.00	0.00
		Dahlia Commodities Services Pvt. Ltd.	0.00	0.02
		Ecap Equities Limited	-	0.03
		Edelweiss Agri Value Chain Limited [Formerly Edelweiss Integrated Commodity Management Limited]	0.00	0.01
		Others - Fellow Subsidiaries	-	0.01
		Others - Associates	0.00	0.01
72	Margins payable to clients	Edelweiss Financial Services Limited	-	0.12
		Edelweiss Broking Limited	0.05	68.99
		Edel Investment Limited	-	37.10
		Dahlia Commodities Services Pvt. Ltd.	-	37.40
		EFSL Commodities Limited	-	36.19
		EFSL Comtrade Limited	-	10.31
		Others - Fellow Subsidiaries	-	79.76
		Others - Associates	-	20.89
73	Other payables on account of gratuity to	Edelweiss Financial Services Limited	-	0.59
		Edelcap Securities Limited	0.35	1.01
		Edelweiss Broking Limited	4.22	0.17
		Edelweiss Finance & Investments Limited	0.00	0.54
		Ecap Equities Limited	0.07	0.88
		Edelweiss Agri Value Chain Limited	-	0.70
		Edelweiss Business Services Limited [Formerly known as Edelweiss Web Services Limited])	7.14	0.12
		Others - Subsidiaries	1.47	0.25
		Others - Fellow Subsidiaries	1.47	0.33



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.29 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure”: (Continued)

ii. Transactions with related parties : (Continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2018	For the year ended 31 March 2017
74	Investments in preference shares in	Edelweiss Commodities Services Limited	1,000.00	1,000.00
		Edelcap Securities Limited	450.00	450.00
		Edelweiss Global Wealth Management Limited(Formerly FINPRO)	-	250.00
		Others - Fellow Subsidiaries	-	38.55
75	Investments in equity shares	ECL Finance Limited	532.88	532.88
		Edelweiss Custodial Services Limited	714.78	714.78
		Edelweiss Comtrade Limited	290.13	230.13
		Edelweiss Asset Reconstruction Company Limited	307.09	307.09
		Others - Subsidiaries	152.53	152.53
		Others - Fellow Subsidiaries	69.19	30.64
		Others - Associates	2.00	2.00
76	Trade receivables from	Ecap Equities Limited	-	775.95
		Edelweiss Finance & Investments Limited	4.02	-
		ECL Finance Limited	4.56	-
		Edelcap Securities Limited	-	463.66
		Edelweiss Custodial Services Limited	2.08	-
		Others - Subsidiaries	0.07	-
		Others - Fellow Subsidiaries	3.80	22.57
		Others - Associates	-	0.33
77	Advances recoverable in cash or in kind on account of gratuity from	Edelweiss Financial Services Limited	-	2.44
		Edelweiss Capital Market Limited	0.19	-
		EFSL Trading Limited (Formerly EFSL Commodities Limited)	0.30	-
		Others - Fellow Subsidiaries	0.05	0.06

@ Amount is less than ₹ 0.01 million

Note - 1 : The Intra group company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties, credited/debited for equity segment 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 : 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.

Note - 3 : Loan received from holding company / fellow subsidiary companies and loan given to subsidiary companies are for the general corporate business.



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.30 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 2018	For the year ended 31 March 2017
(a)	Profit after tax (as per Statement of Profit and Loss)	365.05	216.33
	Less: dividend on preference share including dividend distribution tax	0.23	Nil
	Net profit for the year attributable to equity shareholders	364.82	216.33
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	26,213,676	26,213,676
	Number of Shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	26,213,676	26,213,676
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	26,213,676	26,213,676
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	13.92	8.25

2.31 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency during the year.

	For the year ended 31 March 2018	For the year ended 31 March 2017
Expenditure incurred in foreign currency (on accrual basis)		
Communication	17.78	12.63
Membership & subscription charges	5.78	6.87
Seminar & conference expenses	2.56	1.15
Computer software	10.58	12.94
Travel	9.53	7.83
Professional fees	41.43	68.83
Compensation to clients	13.60	10.43
Commission & Brokerage expenses	1.22	-
Other expenses	2.36	0.47
Total	104.84	121.15
Income earned in foreign currency (on accrual basis)		
Research fee income	58.49	63.02
Total	58.49	63.02



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.32 Operating leases

The Company has taken various premises on operating lease agreements. Gross rental expenses for the year ended 31 March 2018 aggregated to ₹ 19.77 million (Previous year ₹ 38.65 million) (refer note 2.27) which has been included under the head Operating and other expenses – Rent in the statement of profit and loss.

Details of future minimum lease payments for the non-cancellable operating lease are as follows:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Minimum lease payments for non cancellable lease		
- not later than one year	0.34	Nil
- later than one year and not later than five years	Nil	Nil
Total	0.34	Nil

Future minimum lease payments for the non-cancellable operating lease are gross of sharing of expenses with group companies.

2.33 Capital commitments (to the extent not provided for)

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1.87 million (net of advances) (Previous year: ₹ 3.18 million).

2.34 Contingent liabilities (to the extent not provided for)

- Taxation matters in respect of which appeal is pending ₹ 27.66 million (Previous year: ₹ 27.66 million).
- Litigation pending against the Company amounting to ₹ Nil million (Previous year: ₹ 0.20 million).

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with income tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

2.35 Encumbrances on fixed deposits, debtors and property held by the Company

- Fixed deposits aggregating to ₹ 1,629.08 million (previous year: ₹ 3,574.10 million) have been pledged with exchanges for meeting margin, deposit requirement.
- Fixed deposits aggregating to ₹ 1.80 million (previous year: ₹ Nil million) have been kept with exchanges for arbitration requirement.
- Fixed deposits aggregating to ₹ 3,455.99 million (previous year: ₹ 8,172.90 million) have been pledged with banks for securing bank overdrafts.



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.35 Encumbrances' on fixed deposits, debtors and property held by the Company (Continued)

- d. As at 31 March 2018, property aggregating to ₹ Nil million (Previous year: ₹ 364.80 million) were hypothecated against bank overdraft.
- e. Other Non-Current Assets comprises of Long Term Fixed Deposits with banks aggregating to ₹ 2,037.08 million (Previous year: ₹ 2,034.57 million). The Company has the ability to liquidate these fixed deposits before the maturity date, if and when needed, to meet its obligation.

2.36 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, actual identifications etc. On the same lines, branch running costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.25 and 2.27 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

2.37 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

A) Defined contribution plan (Provident fund and national pension scheme)

Amount of ₹ 41.44 million (Previous year: ₹ 39.50 million) is recognised as expenses in "Employee benefit expenses" – note 2.25 in the statement of profit and loss.

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

B) Defined benefit plan (Gratuity)

Expenses recognised in the statement of profit and loss

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	9.47	8.69
Interest cost	3.86	4.74
Expected return on plan assets	(4.96)	(4.99)
Past service cost	12.55	-
Net actuarial gain recognized in the year	(9.12)	(6.00)
Total included in 'Employee Benefit Expense'	11.80	2.45



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.37 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (Continued)

B) Defined benefit plan (Gratuity) (Continued)

Net liability/(assets) recognized in the balance sheet

	As at 31 March 2018	As at 31 March 2017
Present value of defined benefit obligation (DBO)	72.08	70.00
Fair value of plan assets	77.71	74.24
Net (assets)/liability recognised in the balance sheet	(5.63)	(4.24)
Of which, Short term provision	-	-

Reconciliation of Defined benefit obligation

	As at 31 March 2018	As at 31 March 2017
Present value of DBO at start of the year	70.02	68.64
Transfer In/(Out)	13.19	(4.54)
Interest cost	3.86	4.74
Current service cost	9.47	8.70
Benefits paid	(2.60)	(6.34)
Past service cost	12.55	-
Actuarial (gain)/loss on obligations	(8.01)	(1.20)
Present value of DBO at the end of the year	72.08	70.00

Reconciliation of fair value of the plan assets

	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets at the start of the year	74.24	70.79
Expected return on plan assets	4.96	4.99
Contributions by employer	-	-
Benefits paid	(2.60)	(6.34)
Actuarial (loss)/gain on plan assets	1.11	4.80
Fair value of plan assets at the end of the year	77.71	74.24
Actual return on plan assets	6.07	9.79
Expected employer contribution for the coming period	-	-



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.37 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (Continued)

B) Defined benefit plan (Gratuity) (Continued)

Experience adjustment

Experience Adjustment :					
Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Defined benefit obligation	72.08	70.00	68.64	67.97	53.97
Fair value of plan assets	77.71	74.24	70.79	68.15	49.32
Surplus/(deficit)	5.63	4.24	2.15	0.18	(4.65)
Experience adjustment on plan liabilities: (Gain)/ Loss	(6.08)	(2.74)	(1.68)	0.38	1.93
Experience adjustment on plan assets: Gain/ (Loss)	0.68	4.53	(2.21)	8.70	2.20

Principal actuarial assumptions at the balance sheet date

	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7.3%	6.8%
Salary escalation	7%	7%
Employee attrition rate	13% to 25%	13% to 25%
Expected return of plan assets	6.8%	7.4%
Mortality rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working lives of employees	5 years	5 years

2.38 Details of dues to micro and small enterprises

Trade Payables includes ₹ 0.03 million (Previous year: ₹ 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 afore mentioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

2.39 Securities received from clients as collateral for margins are held by the Company in its own name in fiduciary capacity.

2.40 Brokerage income is disclosed net of related stock exchange expenses ₹ 382.09 million (previous year ₹ 288.62 million).



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

2.41 Corporate Social Responsibility (CSR)

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

- a) Gross amount required to be spent by the Company during the year was ₹ 4.36 million (previous year ₹ 6.03 million).
- b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Constructions / acquisition of any assets	Nil	Nil	Nil
(ii)	On purpose other than (i) above	1.52 million (0.50 million)	Nil (Nil)	1.52 million (0.50 million)

Notes:

- I. The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of ₹ 177.84 million (Previous year: ₹ 115.68 million) (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2018.
- II. Figures in the bracket are in respect of previous year.

2.42 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

2.43 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 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 is remote..

2.44 Disclosure relating to Specified Bank notes* (SBN's) held and transacted during the period from 8 November 2016 to 30 December 2016 pursuant to notification No. G.S.R. 308(E) dated 30th November, 2017:

	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.13	-	0.13
(+) Permitted receipts	-	0.16	0.16
(-) Permitted payments	-	0.14	0.14
(-) Amount deposited in Banks	0.13	-	0.13
Closing cash in hand as on 30.12.2016	-	0.02	0.02

Note: The amount in receipts (SBN) represents cash returned by employees given to them as advances to meet expenses on behalf of the Company.



Edelweiss Securities Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2018

(Currency: Indian rupees in millions)

- 2.44 Disclosure relating to Specified Bank notes* (SBN's) held and transacted during the period from 8 November 2016 to 30 December 2016 pursuant to notification No. G.S.R. 308(E) dated 30th November, 2017: (Continued)

* For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8th November, 2016.

- 2.45 Previous year comparatives

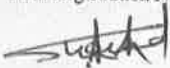
Previous year's figures have been regrouped and rearranged wherever necessary to confirm to current year's presentation / classification.

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

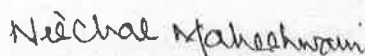
For Price Waterhouse Chartered Accountants L.L.P

Chartered Accountants

Firm Registration No. : 012754N / NS00016



Sharad Agarwal
Partner
Membership No: 118522

For and on behalf of the Board of Directors



Nishchal Maheshari
Executive Director
DIN : 00279658


Atul Bapna
Executive Director
DIN : 07376744


Vikas Khemani
Chief Executive Officer
Mumbai
2 May 2018


Sandesh Sawant
Chief Financial Officer


Pooja Doshi
Company Secretary

Mumbai
2 May 2018