

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Edelweiss Rural &amp; Corporate Services Limited

**Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying standalone Ind AS financial statements of Edelweiss Rural & Corporate Services Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

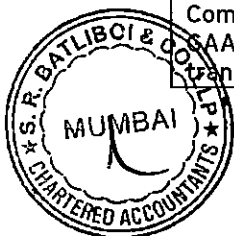
We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Transition to IND AS accounting framework</b> (as described in note no.63 of the Ind AS financial statements)	
The Ind AS financial statements are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). Accordingly, for transition to Ind AS, the Company has	<p>Our audit procedures included considering the appropriateness of the processes laid down by the management to implement such transition combined with procedures performed as follows:</p> <ul style="list-style-type: none"> <li>We obtained management's assessment of applicability of various accounting standards under Ind AS and their impact on the Company's financial statements and reviewed the nature of the Ind AS adjustments based on the applicable Ind AS and previous period accounting policies prepared in accordance with IGAAP.</li> </ul>



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

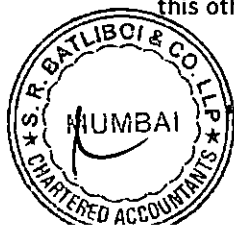
Key audit matters	How our audit addressed the key audit matter
<p>prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS.</p> <p>The transition has involved significant change in the Company's policies and processes for financial reporting, including generation of supportable information and applying estimates to <i>inter alia</i> determine impact of Ind AS on accounting.</p> <p>In view of the material impact and the complexity of implementation of the Ind AS framework and significance of the various disclosure, the transition to Ind AS was of particular importance for our audit as any error could lead to material misstatement in the preparation and presentation of the Ind AS financial statements.</p>	<ul style="list-style-type: none"><li>• We reviewed the exemptions taken by the Company for first time adoption of Ind AS.</li><li>• We tested the details of Ind AS adjustments carried out by the Company as described in the reconciliation of equity as at the transition date and comparative year end date reported under erstwhile Indian GAAP to Ind AS and reconciliation of the statement of profit and loss for the comparative year end date reported under erstwhile Indian GAAP to Ind AS.</li><li>• Performed test of details by inspection of contracts, documents and policies to assess the appropriateness of the Ind AS adjustments.</li><li>• We reviewed the shareholding agreements and other relevant documents to assess control and return to the Company.</li><li>• We reviewed the disclosures with respect to the transition in accordance with the requirements of Ind AS 101 and other applicable disclosures in the Ind AS financial statement in accordance with the requirements of relevant Ind AS.</li></ul>
<b>IT Systems</b>	
<p>The reliability and security of IT systems play a key role in the financial reporting process of the Company. The Company's key financial accounting and reporting processes are highly automated, whereby any gaps in the IT control environment could result in a material misstatement of the financial accounting and reporting records.</p> <p>Therefore, the assessment of the general IT controls and the application controls specific to the accounting and preparation of financial information is considered to be a key audit matter.</p>	<p>Our audit procedures assisted by our IT specialists, included;</p> <p>General IT controls: We tested the governance and other higher controls operating over the IT environment of the Company, including system access and system change management. We considered the appropriateness of the access rights granted to applications relevant to financial accounting and reporting systems and the operating effectiveness of controls over granting, removal and appropriateness of access rights.</p> <p>Application controls: We tested the design and operating effectiveness of automated controls critical to financial accounting and reporting. For any identified deficiencies, tested the design and operating effectiveness of compensating controls and, where necessary, extended the scope of our substantive audit procedures.</p>

## Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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



## **Responsibilities of Management for the Standalone Ind AS Financial Statements**

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

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

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

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

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

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

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

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



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

## **Other Matters**

The comparative financial information of the Company for the year ended March 31, 2018, and the transition date opening balance sheet as at April 01, 2017, included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2018, and March 31, 2017, dated May 2, 2018, and May 16, 2017, respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

We did not audit the financial statements and other financial information, whose Ind AS financial statements include total assets of Rs.26,824.30 million as at July 31, 2018, and total revenues of Rs.2,008.24 million and net cash inflows of Rs.1,015.19 million for the period ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the standalone Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, in so far as it relates to the aforesaid entity, is based solely on the reports of such other auditors.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



# **S.R. BATLIBOI & Co. LLP**

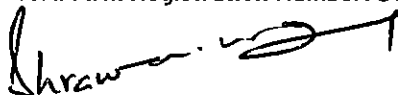
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- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 41 to the standalone Ind AS financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



**Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year. The discrepancies noted on physical verification of inventory as compared to book records were not material.
- (iii) According to the information and explanations given to us and audit procedures performed, 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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and audit procedures performed, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii)(a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act ,1961	Disallowance u/s 14A	5,879	AY 2014-15, 2015-16, 2016-17	CIT (A)

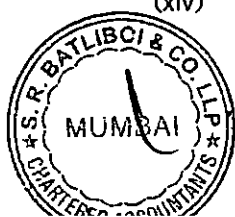


# **S.R. BATLIBOI & Co. LLP**

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Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Provision for mark to market loss on derivative instruments	99,67,230 (demand paid under protest 19,93,446)	AY 2013-14	CIT (A)
Rajasthan Value Added Tax	Value Added Tax	2,66,28,290 (demand paid under protest 1,35,00,000)	A.Y 2011-12	Commissioner of Income Tax (Appeals)
Gujrat Value Added Tax	Value Added Tax	12,34,31,573 (demand paid under protest 50,00,000)	A.Y 2010-11	Joint Commissioner (Appeals)
Madhya Pradesh Value Added Tax	Value Added Tax	27,38,545 (demand paid under protest 589,655)	A.Y 2013-14	Additional Joint Commissioner of Tax
West Bengal Value Added Tax	Value Added Tax	30,29,528 (demand paid under protest 326,300)	A.Y 2013-14	The President, W.B.C.T. Appellate & Revisional Board
Gujrat Value Added Tax	Value Added Tax	1,33,52,802 (demand paid under protest 19,96,000)	A.Y 2014-15	Joint Commissioner (Appeals)
Uttar Pradesh Value Added Tax	Value Added Tax	5,51,59,178 (demand paid under protest 1,10,32,000)	A.Y 2015-16	Commercial Tax Tribunal

- (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.
- (ix) In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been have been applied for the purposes for which they were obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) The company has made private placement of Non-Convertible debentures during the year under review, in compliance with the section 42 of the Act. The amounts raised has been used for the purpose for which funds were raised.



# **S.R. BATLIBOI & Co. LLP**

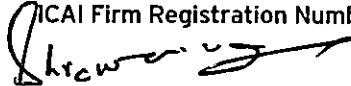
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- (xv) According to the information and explanations given by the management and audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us and audit procedures performed, the Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



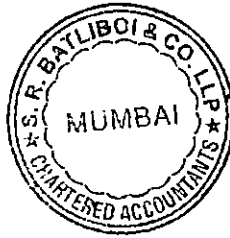
per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019





**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EDELWEISS RURAL & CORPORATE SERVICES LIMITED**

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

To the Members of Edelweiss Rural & Corporate Services Limited

We have audited the internal financial controls over financial reporting of Edelweiss Rural & Corporate Services Limited ("the Company") as of March 31, 2019 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**

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

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A Company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance



# **S.R. BATLIBOI & Co. LLP**

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regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

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

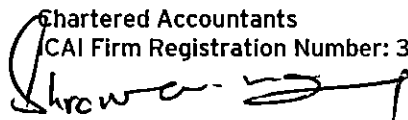
## **Opinion**

In our opinion, the has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2019, 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 S.R. Batliboi & Co. LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005



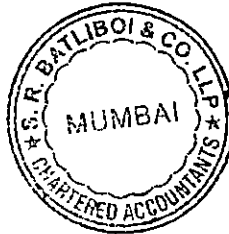
per Shrawan Jalan

Partner

Membership Number: 102102

Place of Signature: Mumbai

Date: May 13, 2019



**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

**Balance Sheet**

(Currency: Indian rupees in millions)

	Note	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	2	223.44	262.27	238.10
(b) Capital work in progress		41.30	0.25	10.82
(c) Investment property	2	2,894.51	2,675.73	2,804.86
(d) Goodwill	2	-	-	18.68
(e) Other Intangible assets	2	117.01	90.89	167.20
(f) Intangible assets under development		1.20	19.80	3.97
(g) Financial Assets				
(i) Investments	3	11,246.68	10,006.57	10,281.13
(ii) Loans	4	2,021.08	21,295.70	16,668.85
(iii) Other financial assets	5	0.13	0.13	25.39
(h) Deferred tax assets (net)	6	464.01	958.73	638.87
(i) Income tax assets (net)	7	681.54	193.06	600.60
(j) Other non-current assets	8	1.33	0.38	226.58
		17,692.23	35,503.51	31,685.05
<b>Current assets</b>				
(a) Inventories	9	1,691.32	1,429.06	2,687.50
(b) Financial Assets				
(i) Stock in trade	10	8,077.99	9,208.49	10,291.96
(ii) Investments	11	1.22	8.15	58.62
(iii) Trade receivables	12	3,099.16	10,371.24	3,940.60
(iv) Cash and cash equivalents	13	5,393.35	3,101.26	652.20
(v) Bank balances other than cash and cash equivalents	14	764.84	592.70	2,046.67
(vi) Loans	15	22,227.29	59,020.49	63,072.73
(vii) Other financial assets	16	231.06	574.68	766.32
(c) Current tax assets (net)	17	516.56	1,022.76	117.88
(d) Other current assets	18	792.03	700.95	472.16
		42,794.81	86,029.78	84,106.64
<b>TOTAL ASSETS</b>		<b>60,487.05</b>	<b>121,533.29</b>	<b>115,791.69</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	19	397.75	297.75	297.75
(b) Other equity	20	5,454.26	2,559.23	(749.47)
		5,852.01	2,856.98	(451.72)
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	21	40,182.28	55,321.31	32,512.92
(ii) Trade payables		-	-	-
(iii) Other financial liabilities	22	51.24	68.71	84.65
(b) Provisions	23	13.22	47.31	67.28
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	24	11,482.12	56,981.02	77,140.65
(ii) Trade payables	25	-	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		2,175.46	4,359.46	4,586.23
(iii) Other financial liabilities	26	287.85	713.75	928.40
(b) Other current liabilities	27	354.21	843.05	461.15
(c) Provisions	28	51.80	161.04	400.46
(d) Current tax liabilities (net)	29	36.86	180.66	61.67
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60,487.05</b>	<b>121,533.29</b>	<b>115,791.69</b>

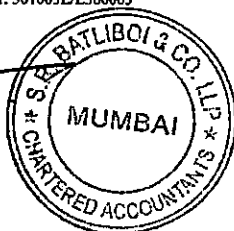
Significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per Shrawan Jalan  
Partner  
Membership No: 102102



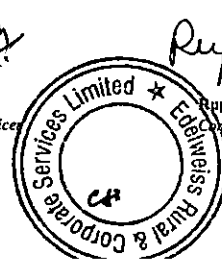
For and on behalf of the Board of Directors of  
Edelweiss Rural & Corporate Services Limited

Rujan Panjwani  
Executive Director  
DIN.: 00237366

Santosh Dadheech  
Executive Director  
DIN.: 00196204

Manoj Sharma  
Chief Financial Officer

Mumbai  
13 May 2019



Rupa Agarwal  
Company Secretary

Mumbai  
13 May 2019

**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

**Statement of Profit and Loss**

(Currency: Indian rupees in millions)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Revenue from operations</b>			
Fee income	30	1,912.55	1,835.93
Income from treasury	31	1,095.08	593.83
Interest income	32	11,289.86	13,453.75
Sale of commodities		15,796.28	19,827.93
Other operating revenue	33	1,214.62	1,492.71
<b>Other income</b>	34	47.06	56.63
<b>Total Income</b>		<b>31,355.45</b>	<b>37,260.78</b>
<b>Expenses</b>			
Purchases of commodities		15,421.30	18,676.48
Changes in inventories of commodities, finished goods, work-in-progress and Stock in trade		68.10	1,253.41
Employee benefits expense	35	1,609.38	1,570.50
Finance costs	36	9,714.12	12,064.57
Depreciation and amortisation expense	2	309.79	319.54
Other expenses	37	2,109.45	2,383.98
<b>Total expenses</b>		<b>29,232.14</b>	<b>36,268.48</b>
<b>Profit before tax</b>		<b>2,123.31</b>	<b>992.30</b>
<b>Tax expenses</b>			
(1) Current tax		360.84	525.75
(2) Deferred tax		423.13	(279.55)
<b>Profit for the year</b>		<b>1,339.34</b>	<b>746.10</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain / loss on defined benefit plans		(6.26)	2.79
Deferred Tax Charge/ (Benefit)		2.19	(0.91)
<b>Total</b>		<b>(4.07)</b>	<b>1.88</b>
<b>Total Comprehensive Income</b>		<b>1,335.27</b>	<b>747.98</b>
<b>Earnings per equity share (Face value of Rs. 10 each):</b>			
(1) Basic	44	44.86	25.06
(2) Diluted		44.86	25.06

Significant accounting policies

The accompanying notes are an integral part of the financial statements

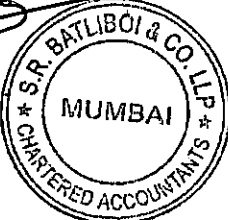
As per our report of even date attached.

For S.R. Batliboi & Co. LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005

*Shrawan Jalan*  
per Shrawan Jalan  
Partner  
Membership No: 102102



For and on behalf of the Board of Directors

Edelweiss Rural & Corporate Services Limited

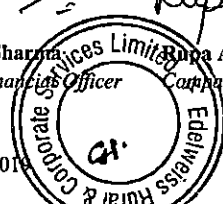
*Rujan Panjwani*  
Rujan Panjwani  
Executive Director  
DIN.: 00237366

*Santosh Dadheer*  
Santosh Dadheer  
Executive Director  
DIN.: 00196204

*Manoj Sharma*  
Manoj Sharma  
Chief Financial Officer

Mumbai  
13 May 2019

*Rupa Agarwal*  
Rupa Agarwal  
Company Secretary



Mumbai  
13 May 2019

**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements

(Currency: Indian rupees in millions)

Statement of changes in Equity

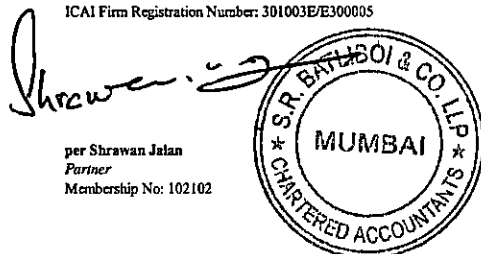
Equity share capital

Balance at the beginning of the reporting period (1 April 2017)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2018)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2019)
297.75	-	297.75	100.00	397.75

Other Equity

	Reserves and Surplus							Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	ESOP reserve	General reserve	Debt redemption reserve	Retained earnings	
Balance at 1 April 2017 (Indian GAAP)	-	-	3,350.70	-	181.68	1,661.36	(1,266.42)	3,927.32
Reserve created on account of merger	49.21	-	(112.10)	-	-	-	-	(62.89)
Ind AS adjustments	-	-	(2,226.45)	52.77	-	-	(2,440.23)	(4,613.90)
Balance at 1 April 2017 (Ind AS)	49.21	-	1,012.15	52.77	181.68	1,661.36	(3,706.65)	(749.47)
Profit or loss	-	-	-	-	-	-	746.10	746.10
Other comprehensive income	-	-	-	-	-	-	1.88	1.88
Total Comprehensive Income for the year	-	-	-	-	-	-	747.98	747.98
Dividends to equity shareholders	-	-	-	-	-	-	(248.62)	(248.62)
Dividend distribution tax	-	-	-	-	-	-	(50.60)	(50.60)
ESOP charge	-	-	-	9.64	-	-	-	9.64
Transactions with shareholders in their capacity as such	-	-	-	-	-	-	2,336.54	2,336.54
Transfers to / from retained earnings	-	30.00	-	-	(181.68)	694.86	(543.18)	-
Income tax effect of ESOP	-	-	-	-	-	-	48.95	48.95
Any other change	353.64	-	32.36	-	-	-	78.82	464.82
Balance at 31 March 2018 (Ind AS)	402.85	30.00	1,044.51	62.41	-	2,356.22	(1,336.76)	2,559.23
Profit or loss	-	-	-	-	-	-	1,339.34	1,339.34
Other comprehensive income	-	-	-	-	-	-	(4.07)	(4.07)
Total Comprehensive Income for the year	-	-	-	-	-	-	1,335.27	1,335.27
Issue of equity instruments	-	-	1,600.00	-	-	-	-	1,600.00
Income tax effect of ESOP	-	-	-	-	-	-	(48.95)	(48.95)
Transactions with shareholders in their capacity as such	-	-	-	-	-	-	8.72	8.72
Any other change	-	-	-	-	-	-	-	-
Balance at 31 March 2019 (Ind AS)	402.85	30.00	2,644.51	62.41	-	2,356.22	(41.73)	5,454.26

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan  
Partner  
Membership No: 102102

Mumbai  
13 May 2019

For and on behalf of the Board of Directors of  
Edelweiss Rural & Corporate Services Limited

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

*Samosh Dadheech*  
Samosh Dadheech  
Executive Director  
DIN.: 00196204

*Manoj Sharma*  
Manoj Sharma  
Chief Financial Officer

*Rupa Agarwal*  
Rupa Agarwal  
Company Secretary

Mumbai  
13 May 2019



#### Nature and purpose of reserves

##### Capital reserve

The Group recognises profit and loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

##### Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

##### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

##### General reserve

The general reserve is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss.

##### Debenture redemption reserve

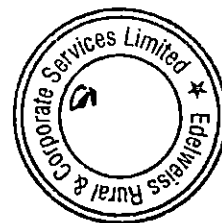
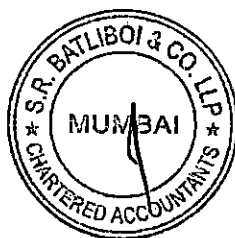
The Companies Act 2013 requires companies that issue debentures to create a debenture redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act, 2013) of the outstanding redeemable debentures to debenture redemption reserve. The amounts credited to the debenture redemption reserve may not be utilised except to redeem debentures. On redemption of debentures, the amount may be transferred from debenture redemption reserve to retained earnings.

##### ESOP reserve

Certain of the Company's employees have been granted options to acquire equity shares of the Ultimate Parent Company (Edelweiss Financial Services Limited). This reserve represents the cost of these options based on their fair value at the grant dates as recognised over the vesting period of such options, to the extent that the Ultimate Parent Company has not recovered such cost from the Company.

##### Deemed contribution / distribution

For transactions with group companies, where the transaction price is different than the fair value of the concerned financial instrument on the transaction date, the difference is treated as deemed contribution from the group or deemed distribution to the group (as the case may be) and recognized in retained earnings.



**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

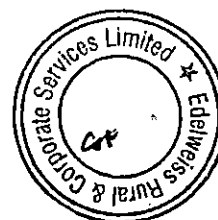
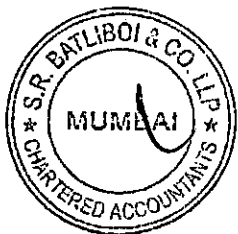
**Cash Flow Statement**

(Currency: Indian rupees in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>A Cash flow from operating activities</b>		
Profit before tax	2,123.31	992.30
Adjustments for		
Impairment on financial instruments (net)	(108.98)	534.65
Depreciation and amortisation expense	309.79	319.54
Profit on sale of fixed assets (net)	(1.12)	(43.54)
Provision for employee benefits	(145.63)	(19.57)
Dividend on stock in trade	(0.35)	(267.29)
Share of profit from partnership firm	(4.33)	(40.00)
Finance costs	9,395.34	11,346.65
(Profit) / loss on sale of current and non-current investments	(8.10)	257.83
Fair valuation (gain) / loss on non-current investments	(889.87)	254.03
<b>Operating cash flow before working capital changes</b>	<b>10,670.06</b>	<b>13,334.60</b>
Changes in working capital		
Decrease / (increase) in trade receivables	7,315.36	(6,404.64)
Decrease in stock in trade	868.21	2,341.93
Decrease in loans and advances	55,971.06	285.60
Decrease in other assets	251.55	189.10
Decrease in liabilities and provisions	(3,032.37)	(71.77)
<b>Cash generated from operations</b>	<b>72,043.87</b>	<b>9,674.82</b>
Taxes paid (net of refunds)	(459.93)	(904.04)
<b>Net cash generated from operating activities - A</b>	<b>71,583.94</b>	<b>8,770.78</b>
<b>B Cash flow from investing activities</b>		
(Purchase) / sale of fixed assets (net) (including capital work-in progress)	(537.25)	(81.28)
(Purchase) / sale of current and non-current investments (net) (Refer note 1)	(340.92)	1,985.45
Dividend received	0.35	267.29
<b>Net cash generated from investing activities - B</b>	<b>(877.82)</b>	<b>2,171.46</b>
<b>C Cash flow from financing activities</b>		
(Repayment of) / proceeds from loans (net) (Refer note 1)	(10,528.50)	7,072.69
Repayment of subordinated liabilities	(76.33)	(37.59)
Issue of equity share capital	1,700.00	-
Proceeds from issuance of commercial paper	447,930.00	1,071,920.00
Redemption of commercial paper	(499,270.00)	(1,076,110.00)
Dividend and dividend distribution tax paid	(46.20)	(585.83)
Interest paid	(8,123.03)	(11,185.65)
<b>Net cash used in from financing activities - C</b>	<b>(68,414.06)</b>	<b>(8,926.38)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>2,292.06</b>	<b>2,015.86</b>
<b>Adjustment on account of demerger</b>	<b>-</b>	<b>433.21</b>
Cash and cash equivalents as at the beginning of the year	3,101.27	652.20
Cash and cash equivalents as at the end of the year	5,393.33	3,101.27

**Note:**

- 1 Net figures have been reported on account of volume of transactions.
- 2 The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows" specified under Section 133 of Companies Act, 2013 read with Paragraph 7 of the Companies (Accounts) Rules, 2014.



**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

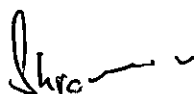
**Cash Flow Statement (continued)**

(Currency: Indian rupees in millions)

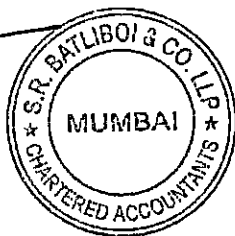
	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>Note:</b>		
<b>3 Component of cash and cash equivalents</b>		
<b>Balances with banks</b>		
in current accounts	1,143.29	1,601.03
in fixed deposits with original maturity less than 3 months	4,250.02	0.10
Cash on hand	0.04	0.13
Cheques in hand	-	1,500.00

This is the Cash Flow Statement referred to in our report of even date

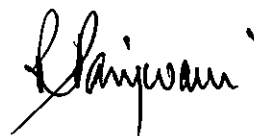
**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005




per **Shrawan Jalan**  
Partner  
Membership No: 102102



**For and on behalf of the Board of Directors of  
Edelweiss Rural & Corporate Services Limited**




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




**Santosh Dadheech**  
Executive Director  
DIN.: 00196204

Mumbai  
13 May 2019

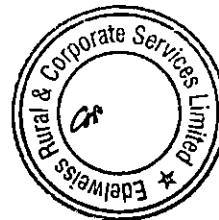


**Manoj Sharma**  
Chief Financial Officer

Mumbai  
13 May 2019



**Rupa Agarwal**  
Company Secretary





# Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

## Notes to the financial statements

### 1. Significant accounting policies

#### 1.1 Background

Edelweiss Rural & Corporate Services Limited ('the Company') (formerly known as Edelweiss Commodities Services Limited) was incorporated on October 17, 2006 in the State of Maharashtra as a private company. With effect from January 13, 2011, the status of the Company was changed from Private Limited Company to a Public Limited Company and the Registered Office of the Company was shifted from the state of Maharashtra to the state of Telangana. It is a subsidiary of Edelweiss Financial Services Limited.

Company deals in trading of commodities, debt securities, equities and derivatives as part of its treasury activities. The Company has obtained registration under the Real Estate Regulatory Act, 2016 (RERA) to act as a real estate agent in the State of Maharashtra as on June 9, 2017 and in Uttar Pradesh.

In February 2019, pursuant to order of honourable ROC Hyderabad, 5 subsidiaries of the Company were merged into the Company. As a result of which business of value added agri services (including warehousing services), collateral management and business support services to group companies were added to the current business stream of the Company.

#### 1.2 Basis of preparation and presentation of financial statements

The Company's financial statements has been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and in compliance with the Division II of the Schedule III to the Companies Act, 2013.

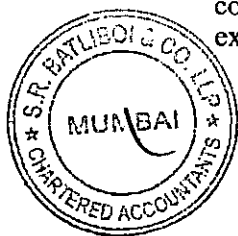
For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31<sup>st</sup> March 2019 are the first financial statements of the Company prepared under Ind AS. Refer to Note 1.21 for information on how the Company adopted Ind AS for opening balance sheet.

The Company's financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVTOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value. The Company's financial statements are presented in Indian Rupees (INR) in millions.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

#### 1.3 Use of estimates

The preparation of the financial statements requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expense during the reporting period. Actual results could differ from the estimates.



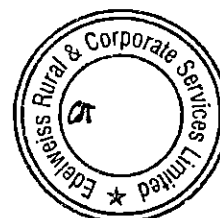
# Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

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

### 1.4 Revenue recognition

- Brokerage income on commodities broking business 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 sub-brokerage expenses, goods and service tax ("GST"), transaction charges and stock exchange expenses.
- Fee income including advisory fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.
- Business support services including web based services are accounted on accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Profit / loss on sale of investments is recognised on trade date basis.
- Commodities sales are accounted as per terms of agreement with the parties.
- Interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR.
- Warehouse income is recognised on accrual basis by reference to the agreements entered with customers.
- Sales during the course of import by transfer of documents of title i.e. high seas sale of commodities are booked upon transfer of documents of title to the goods in favour of buyer before the goods cross the customs frontiers of India.
- Agency commission/procurement income is recorded in pursuant to the terms and conditions mentioned in scope of work /agreement.
- Insurance and other claims are recognized as revenue on certainty of realisation.
- Interests on delayed payments, warehousing charges and rental income are recognised on accrual basis by reference to the agreements entered.
- Profit / loss from share in partnership firm is accounted once the amount of the share of profit/ loss is ascertained and credited / debited to the Company's account in the books of the partnership firm.
- Dividend income is recognised in profit or loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.
- Real estate advisory income is recognised basis the terms and conditions mentioned in the agreement.



# Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

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

### 1.5 Financial Instruments

#### *Date of recognition*

Financial assets and financial liabilities, with the exception of borrowings are initially recognised on the trade date i.e. the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades; purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. The Company recognises borrowings when funds reach the Company.

#### *Initial measurement of financial instruments*

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

#### *Day 1 profit or loss*

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

#### *Classification of financial instruments*

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

- Amortised cost
- Fair value through other comprehensive income (FVTOCI)
- Fair value through profit or loss (FVTPL)

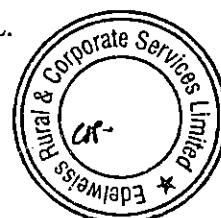
The Company measures debt financial assets that meet the following conditions at amortised cost:

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

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.



# Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

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

### ***Amortized cost and Effective interest rate (EIR)***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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

### ***Financial assets held for trading***

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

### ***Financial assets at fair value through profit or loss***

Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. These include debt securities, equity instruments, mutual fund units, nifty linked debentures etc.

### ***Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure***

#### ***Investment in equity instruments***

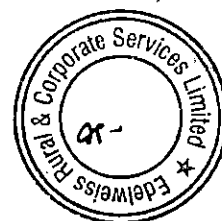
The Company subsequently measures all equity investments (other than subsidiaries) at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Investments in subsidiaries and associates are carried at cost as permitted under Ind AS 27 (Consolidated and Separate Financial Statements).

#### ***Investment in mutual funds and preference Shares***

The Company subsequently measures all investments in mutual fund and preference shares at fair value through profit or loss as these financial assets do not pass the contractual cash flow test as required by Ind AS- 109- Financial Instruments, for being designated at amortised cost or FVTOCI, hence classified at FVTPL.

#### ***Financial liabilities***

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



# Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

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

### ***Debt securities and other borrowed funds***

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

The Company has issued certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at a reporting date. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

### ***Financial liabilities and equity instruments***

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

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### ***Redeemable preference shares***

Redeemable preference shares issued are classified as financial liabilities and are measured at fair value at inception and at amortised cost subsequently.

Where the transaction price for the preference shares issued differs from the fair value, the difference is recognized in profit or loss unless the difference is a deemed capital contribution from the Group, in which case, the said difference is recognized in equity.

In accounting for these preference shares at amortised cost subsequent to initial recognition, interest expense based on the effective interest rate is recognized in profit or loss. This effective interest rate is based on the initial measurement of the preference shares (fair value) and the maturity amount. Any gain or loss on derecognition is recognized in profit or loss unless the difference is due to a transaction with a related party, in which case, the same is recognized as a deemed distribution or return of deemed capital contribution, as the case may be.

### ***Reclassification of financial assets and liabilities***

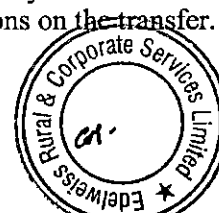
The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

### ***Derecognition of financial assets and financial liabilities***

A transfer only qualifies for derecognition if either:

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

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



# Edelweiss Rural & Corporate Services Limited

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

### *Derecognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

### *Impairment of financial assets*

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

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables.

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

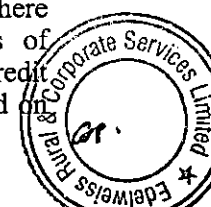
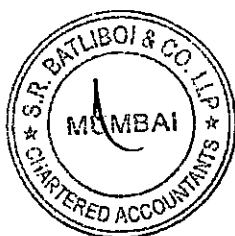
Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible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

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

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

### *Collateral valuation*

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on



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

the balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

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

### ***Collateral repossessed***

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

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

### ***Write off***

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

### ***Derivative financial instruments***

#### ***Initial recognition and subsequent measurement***

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Company's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

### ***Business model assessment***

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



# Edelweiss Rural & Corporate Services Limited

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

### *Fair value of financial instruments*

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

### *Determination of fair value*

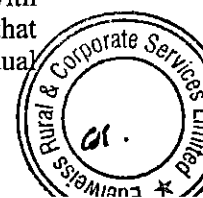
The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

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

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

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





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

assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

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

### 1.6 *Earnings per share*

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

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

### 1.7 *Foreign currency transactions*

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

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

### 1.8 *Retirement and other employee benefit*

#### *Provident fund and national pension scheme*

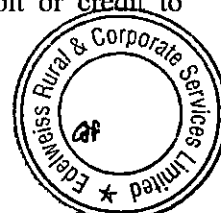
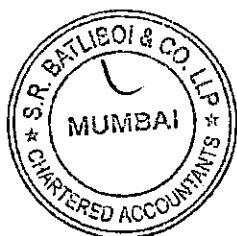
The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

#### *Gratuity*

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.



# Edelweiss Rural & Corporate Services Limited

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

### *Compensated Absences*

The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge in the statement of profit and loss and corresponding liability on such non-vesting accumulated leave entitlement based on a valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

### **1.9** *Share-based payment arrangements*

Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent Group are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

### **1.10** *Property, plant and equipment*

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

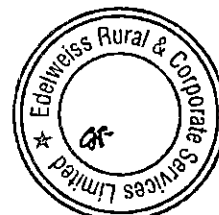
Subsequent costs incurred on an item of property, plant and equipment is recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

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

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

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



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

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated Useful Life
Building (Other than Factory Building)	60 years
Plant and equipments	15 years
Furniture and fittings	10 years
Vehicles	8 years
Office equipments	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years
Solar Power Plant	15 years

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### ***Intangible fixed assets***

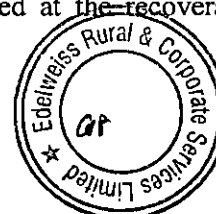
Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Intangible assets under development are recorded at the consideration paid for the acquisition of such assets.

### ***Impairment of non-financial assets***

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



# Edelweiss Rural & Corporate Services Limited

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

### **1.11** *Cash and cash equivalents*

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

### **1.12** *Inventories*

Inventories in the form of commodities are valued at weighted average cost or net realisable value, whichever is lower.

### **1.13** *Stock in Transit*

Stock in transit in the form of commodities are stated at cost.

### **1.14** *Provisions and other contingent liabilities*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

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

### **1.15** *Income tax expenses*

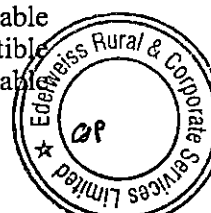
Income tax expense represents the sum of the tax currently payable and deferred tax.

#### ***Current tax***

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

#### ***Deferred tax***

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



# Edelweiss Rural & Corporate Services Limited

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

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

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

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

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### ***Minimum Alternative Tax (MAT) credit***

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

### ***1.16 Operating leases***

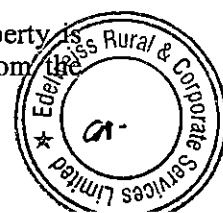
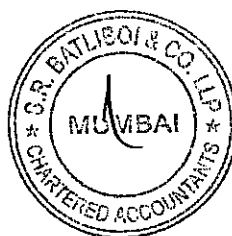
Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognized based on contractual terms. Contingent rental payable is recognized as an expense in the period in which it is incurred.

### ***1.17 Investment property***

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

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the



# Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

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

disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

### 1.18 *Receivables from Agency Business*

The Company's business includes 'Agency Business' wherein acts as a procurement agent for its various principals, and renders other related end to end value additive services like procurement formalities including importing, receiving and storing of goods, insuring, maintenance of goods in proper condition, dispatch to designated parties, facilitating funding, etc. The Company procures goods and makes payment to the supplier on behalf of the principal. The payment made to supplier is shown as Trade receivables (current), and is secured by inventory held on behalf of principal marked as lien.

### 1.19 *Business Combination*

The acquisition method of accounting is used for business combinations by the Company. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values with certain limited exceptions. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Common controlled business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method.

### 1.20 *Significant accounting judgements, estimates and assumptions*

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- (a) Actuarial assumptions used in calculation of defined benefit plans;
- (b) Assumptions used in estimating the useful lives of tangible assets reported under property, plant and equipment.



# Edelweiss Rural & Corporate Services Limited

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

### 1.21 *First-time adoption – mandatory exceptions, optional exemptions*

#### *Overall principle*

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

#### *Derecognition of financial assets and financial liabilities*

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

#### *Impairment of financial assets*

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### *Accounting estimates*

The Company's estimates in accordance with Ind AS at the transition date are consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). The same applies to the comparative period presented.

#### *Past business combinations*

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

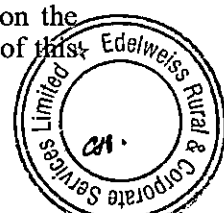
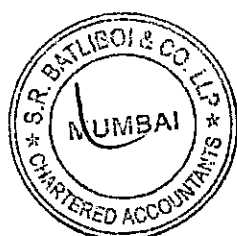
#### *Deemed cost for property, plant and equipment, and intangible assets*

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 1.22 *Standards issued but not yet effective*

#### *Ind AS 116 Leases:*

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The application of this standard is not likely to have a material impact on the Company's Financial Statements.



# Edelweiss Rural & Corporate Services Limited

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

### ***Prepayment Features with Negative Compensation (Amendments to Ind AS 109)***

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after 1 April, 2019.

The application of these amendments is not likely to have a material impact on the Company's Financial Statements.

### ***Long-term Interests in Associates and Joint Ventures (Amendments to Ind AS 28)***

The amendment clarifies that Ind AS 109, including its impairment requirements, applies to long-term interests. Furthermore, in applying Ind AS 109 to long-term interests, an entity does not take into account adjustments to their carrying amount required by Ind AS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with Ind AS 28). These amendments are to be applied retrospectively in accordance with Ind AS 8 for annual reporting periods beginning on or after 1 April 2019. Specific transition provisions apply depending on whether the first-time application of the amendments coincides with that of Ind AS 109.

The application of these amendments is not likely to have a material impact on the Company's Financial Statements.

### ***Annual Improvements to Ind AS (2018)***

#### ***Ind AS 12 Income taxes***

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

#### ***Ind AS 23 Borrowing costs***

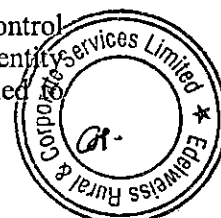
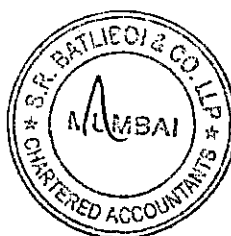
The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

#### ***Ind AS 103 Business Combinations***

The amendments clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. These amendments are to be applied for business combinations in which the date of acquisition is on or after 1 April 2019.

#### ***Ind AS 111 Joint Arrangements***

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation. These amendments are to be applied for transactions in which joint control is obtained on or after 1 April 2019.





# Edelweiss Rural & Corporate Services Limited

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

The application of all of the above amendments is not likely to have a material impact on the Company's Financial Statements.

### ***Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19)***

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after 1 April 2019.

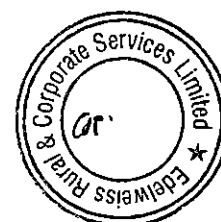
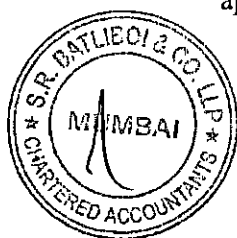
The application of these amendments is not likely to have a material impact on the Company's Financial Statements.

### ***Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12)***

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
  - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
  - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Appendix is effective for annual periods beginning on or after 1 April 2019. Entities can apply the Appendix with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively.



**Edelweiss Rural & Corporate Services Limited**  
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Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

**2 Property, Plant and Equipment**

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at 1 April 2018	Additions during the year	Disposals during the year	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019
Property, Plant and Equipment									
Leasehold Premises	19.64	0.14	-	19.78	6.91	6.30	-	13.21	6.57
Plant and Equipment	6.47	0.04	-	6.51	1.02	0.97	-	1.99	4.52
Furniture and Fixtures	49.67	6.33	-	56.00	11.31	11.12	-	22.43	33.57
Vehicles	19.23	1.46	9.67	11.02	5.83	4.62	7.05	3.40	7.62
Office equipment	63.36	21.95	3.58	81.73	21.36	25.83	3.48	43.71	38.02
Computers	144.90	55.14	6.07	193.97	45.25	60.99	3.93	102.31	91.66
Plant and Machinery-Solar power	62.05	-	-	62.05	11.37	9.20	0.00	20.57	41.48
<b>Total</b>	<b>365.32</b>	<b>85.06</b>	<b>19.32</b>	<b>431.06</b>	<b>103.05</b>	<b>119.03</b>	<b>14.46</b>	<b>207.62</b>	<b>223.44</b>

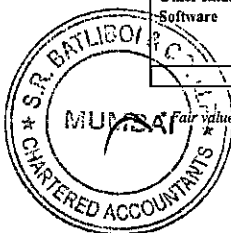
**Investment property\***

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at 1 April 2018	Additions during the year	Disposals during the year	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019
Land	194.16	-	-	194.16	-	-	-	-	194.16
Flat and Building	2,612.18	342.15	-	2,954.33	130.61	123.37	-	253.98	2,700.35
<b>Total</b>	<b>2,806.34</b>	<b>342.15</b>	<b>-</b>	<b>3,148.49</b>	<b>130.61</b>	<b>123.37</b>	<b>-</b>	<b>253.98</b>	<b>2,894.51</b>

**Other Intangible Assets**

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at 1 April 2018	Additions during the year	Disposals during the year	As at 31 March 2019	As at 1 April 2018	Charge for the year	Disposals during the year	As at 31 March 2019	As at 31 March 2019
Goodwill	18.68	-	-	18.68	18.68	-	-	18.68	-
Other Intangible Assets Software	147.92	93.51	-	241.43	57.03	67.39	-	124.42	117.01
<b>Total</b>	<b>166.60</b>	<b>93.51</b>	<b>-</b>	<b>260.11</b>	<b>75.71</b>	<b>67.39</b>	<b>-</b>	<b>143.10</b>	<b>117.01</b>

Fair value of the Investment property is Rs. 6,441 millions. These assets are pledged for issuance of Non-convertible debentures (refer Note 21 and Note 24).



**Edelweiss Rural & Corporate Services Limited**  
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Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

2 Property, Plant and Equipment

Description of Assets	Gross Block					Accumulated Depreciation and Impairment				Net Block
	Deemed Cost As at 1 April 2017	Deemed Cost Addition on account of Merger*	Additions during the year	Disposals during the year	As at 31 March 2018	As at 1 April 2017	Charge for the year	Disposals during the year	As at 31 March 2018	As at 31 March 2018
Property, Plant and Equipment										
Leasehold Premises	8.29	3.33	8.02	-	19.64	-	6.91	-	6.91	12.73
Plant and Equipment	0.81	5.56	0.21	0.11	6.47	-	1.03	0.01	1.02	5.45
Furniture and Fixtures	29.63	3.22	16.82	-	49.67	-	11.31	-	11.31	38.36
Vehicles	6.07	5.71	12.70	5.26	19.22	-	6.44	0.61	5.83	13.39
Office equipment	13.64	18.16	32.35	0.79	63.36	-	21.54	0.18	21.36	42.00
Computers	45.70	35.93	64.12	0.84	144.91	-	45.52	0.27	45.25	99.66
Plant and Machinery-Solar power	62.05	-	-	-	62.05	-	11.37	-	11.37	50.68
Total	166.19	71.91	134.22	7.00	365.32	-	104.12	1.07	103.05	262.27

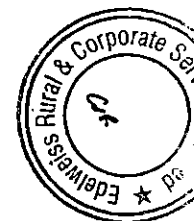
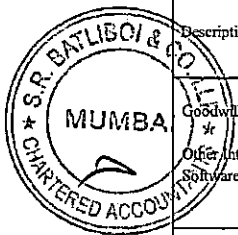
Investment property

Description of Assets	Gross Block					Accumulated Depreciation and Impairment				Net Block
	Deemed Cost As at 1 April 2017	Deemed Cost Addition on account of Merger*	Additions during the year	Disposals during the year	As at 31 March 2018	As at 1 April 2017	Charge for the year	Disposals during the year	As at 31 March 2018	As at 31 March 2018
Land	194.16	-	-	-	194.16	-	-	-	-	194.16
Flat and Building	2,610.70	-	1.48	-	2,612.18	-	130.61	-	130.61	2,481.57
Total	2,804.86	-	1.48	-	2,806.34	-	130.61	-	130.61	2,675.73

Intangible Assets

Description of Assets	Gross Block					Accumulated Amortisation and Impairment				Net Block
	Deemed Cost As at 1 April 2017	Deemed Cost Addition on account of Merger*	Additions during the year	Disposals during the year	As at 31 March 2018	As at 1 April 2017	Charge for the year	Disposals during the year	As at 31 March 2018	As at 31 March 2018
Goodwill	18.68	-	-	-	18.68	-	18.68	-	18.68	-
Other Intangible Assets Software	80.42	86.78	45.55	64.83	147.92	-	66.13	9.10	57.03	90.89
Total	99.10	86.78	45.55	64.83	166.60	-	84.81	9.10	75.71	90.89

\*Note: Refer Note 52 on merger of subsidiaries.



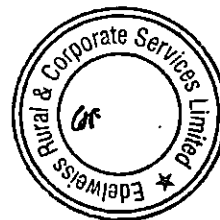
**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Face value	Quantity	Amount	Face value	Quantity	Amount	Face value	Quantity	Amount
<b>3 Non-current Investments</b>									
<b>I Quoted Investments</b>									
Investments in equity shares									
Health Care Global Enterprise Limited	-	-	-	-	-	-	10	759,926	175.20
GHCL Limited	-	-	-	-	-	-	10	376,000	99.83
Quick Heal Technologies Limited	-	-	-	-	-	-	10	63,771	15.07
<b>II Unquoted Investments</b>									
Investments in equity instruments of subsidiaries (fully paid up)									
Edelweiss Housing Finance Limited	10	38,300,000	2,829.00	10	38,300,000	2,829.00	10	38,300,000	2,829.00
EC Commodity Limited	10	-	501.43	-	-	-	-	-	-
Edelweiss Comtrade Limited	10	-	38.86	-	-	-	-	-	-
Investments in equity instruments of associate companies (fully paid up)									
Allium Finance Private Limited	10	800,000	21.18	10	800,000	21.18	10	800,000	21.18
Investments in equity instruments of other group companies (fully paid up)									
ECL Finance Limited	1	294,472,650	3,862.84	1	294,472,650	3,862.84	1	146,976,650	862.84
Edelweiss Asset Reconstruction Company Limited	10	20,964,082	446.43	10	20,964,082	446.43	10	20,964,082	446.43
Edelweiss Finvest Private Limited	10	1,327,486	188.37	10	1,327,486	188.37	-	-	-
Edelweiss Tarim Urunkeri Anonim Sirketi (25% paid up)	-	-	-	-	-	-	1TL	2,250,000	43.36
Edelweiss Commodities Pte Limited	-	-	-	-	-	-	SGD 1	12,724,304	613.01
Lichen Metals Private Limited	10	39,920	2.69	10	39,920	2.69	10	39,920	2.69
Investments in equity instruments of other companies (fully paid up)									
Investment in shares - Equity - Goqil Inc	-	-	-	-	-	-	\$0.00001	610	0.51
Inditrade Business Consultants Limited	10	10,000	0.10	10	10,000	0.10	10	10,000	0.10
Silverglades Infrastructure Private Limited	-	-	-	10	1,900	0.02	10	1,900	0.02
The Catholic Syrian Bank Limited	-	-	-	-	-	-	10	1,214,453	185.96
Metropolitan Stock Exchange of India Limited	1	37,020,000	44.64	1	37,020,000	54.05	1	57,020,000	55.54
Mantri Metalics Private Limited	0	487,156	60.45	0	487,156	60.45	-	-	-
Investments in preference shares of other companies (fully paid up)									
Non cumulative non convertible redeemable									
7% Edelweiss Securities Limited	-	-	-	-	-	-	10	260,000	43.59
7% Edelweiss Broking Limited	-	-	-	-	-	-	10	-	-
0.01% Edelweiss Investment Advisors Limited	-	-	-	-	-	-	10	160,000	83.80
1% Edelweiss Investment Advisors Limited	-	-	-	-	-	-	10	45,000	45.00
0.01% Edel Land Limited	-	-	-	-	-	-	10	125,000	92.90
Non cumulative optionally convertible redeemable									
11% Edelweiss Broking Limited	-	-	-	-	-	-	10	1,267,000	281.61
Non cumulative compulsory convertible redeemable									
0.01% Edelweiss Finvest Private Limited	-	-	-	-	-	-	10	1,327,486	188.37
7% Preference shares of Ecap Equities Limited	-	-	-	-	-	-	10	1,800,000	1,117.54
Non cumulative Compulsorily convertible redeemable									
Allium Finance Private Limited	10	2,986,994	648.45	-	-	-	-	-	-
Investments in debentures (fully paid up)									
17% Edelweiss Asset Reconstruction Company Limited	1,000,000	1,500	1,500.00	1,000,000	1,500	1,500.00	1,000,000	0	1,500.00
ECL Finance Limited	-	-	-	-	-	-	-	100,000	510.30
Goldenlife Financial Services Private Limited	-	-	-	5,000	2,000	10.00	5,000	2,000	10.00
10% Mantri Metalics Private Limited	1,000,000	128	128.47	1,000,000	128	153.10	1,000,000	450	468.87
14% Orissa Stevedores Limited	926,829	210	151.26	926,829	210	200.02	926,829	210	220.50
10% Appu Hotels Limited	629,122	130	126.77	629,122	130	98.29	629,122	130	112.04
Investment in others									
Edelweiss Private Equity Tech Fund	100,000	853	120.62	100,000	853.42	96.94	100,000	437	43.74
Edelweiss Value and Growth Fund	100,000	3,032	385.07	100,000	2,624.84	262.48	-	-	-
Investment - Edelweiss Real Estate Opportunities Fund	-	-	33.06	10,000	4,750.00	52.50	10,000	3,200	32.00
Edelweiss Alternative Investment Trust- EW Clover Scheme	-	-	156.99	10,000	12,500	168.11	10,000	12,500	180.13
			<b>11,246.68</b>			<b>10,006.57</b>			<b>10,281.13</b>

Note: Disclosures as required by IND AS 107 have been separately provided in Note 56 and 59



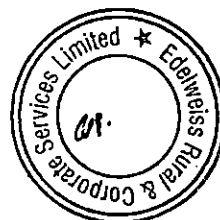
# Edelweiss Rural & Corporate Services Limited

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## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>4 Loans- Non Current</b>			
<i>Secured</i>			
Receivables from financing business*	2,233.71	12,050.94	12,238.31
Provision for expected credit loss on loans	(212.63)	(614.50)	(439.46)
	<u>2,021.08</u>	<u>11,436.44</u>	<u>11,798.85</u>
<i>Unsecured</i>			
Loans and advances to related parties	-	9,859.26	4,870.00
	<u>2,021.08</u>	<u>21,295.70</u>	<u>16,668.85</u>
* Secured against diversified pool of real estate projects, land, bank balance and equity shares			
<b>5 Other financial assets</b>			
Security Deposits	-	-	25.26
Deposits placed with/ for exchange/ depositories	0.13	0.13	0.13
	<u>0.13</u>	<u>0.13</u>	<u>25.39</u>



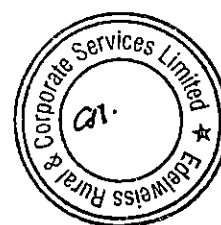
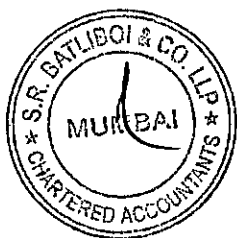
**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>6 Deferred tax assets (net)</b>			
<b>Deferred tax assets</b>			
<u>Loans</u>			
Impairment on loans	398.40	705.40	578.93
<u>Investments and other financial instruments</u>			
Fair valuation loss on investments	3.29	-	11.38
Unrealised loss on derivatives	1.47	10.32	2.63
<u>Employee benefit obligations</u>			
Provision for deferred bonus	-	-	54.50
<u>Unused tax credit</u>			
MAT credit entitlement	427.17	154.09	113.81
<u>Unused tax losses</u>			
Accumulated Losses	41.17	23.17	86.48
<u>Borrowings</u>			
Effective interest rate on borrowings	-	21.73	30.44
Gratuity & other employee benefits	23.51	54.07	7.73
ESOP cost	-	48.95	-
Share of profit from partnership firm	-	21.40	7.41
Reversal of fee income	86.80	86.80	-
Others ( share issuance expenses, lease equalisation reserve etc)	0.83	2.16	2.02
	<b>982.64</b>	<b>1,128.09</b>	<b>895.33</b>
<b>Deferred tax liabilities</b>			
<u>Property, plant and equipment and intangibles</u>			
Difference between book and tax depreciation (including intangibles)	112.59	123.75	117.85
<u>Investments and other financial instruments</u>			
Fair valuation gain of investments and stock in trade	244.29	9.14	100.51
<u>Borrowings</u>			
Effective interest rate on borrowings	127.03	-	-
Capitalised borrowing costs on building	34.72	36.47	38.10
	<b>518.63</b>	<b>169.36</b>	<b>256.46</b>
	<b>464.01</b>	<b>958.73</b>	<b>638.87</b>

Note: Refer note 61 for disclosures on Deferred Tax.



## Edelweiss Rural & Corporate Services Limited

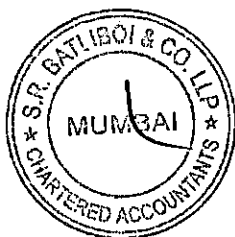
(formerly known as Edelweiss Commodities Services Limited)

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>7</b>			
<b>Income tax assets (net)</b>			
Advance income taxes	681.54	193.06	600.60
(net of provision for income tax of Rs. 1,300.92 millions (Previous year: Rs. 315.68 millions))			
	<b>681.54</b>	<b>193.06</b>	<b>600.60</b>
<b>8</b>			
<b>Other non-current assets</b>			
Capital advances	0.00	0.00	226.20
Other deposits	1.33	0.38	0.38
	<b>1.33</b>	<b>0.38</b>	<b>226.58</b>
<b>9</b>			
<b>Inventories</b>			
Stock in trade commodities*	1,691.32	1,428.46	2,681.27
Consumables	-	0.60	6.23
	<b>1691.32</b>	<b>1429.06</b>	<b>2687.50</b>

\* refer note 21 and 24 for charges on inventory



**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

10 Stock in trade

At fair value through profit or loss

- (i) Mutual Fund
- (ii) Debt securities
- (iii) Equity instruments
- (iv) Nifty-linked debentures
- (v) Preference shares
- TOTAL - Gross (A)**

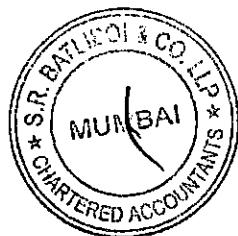
As at 31 March 2019	As at 31 March 2018	As at 1 April 2017 (i.e. 31 March 2017)
95.22	1,995.47	2,000.00
7,386.01	5,379.47	8,160.73
0.30	12.07	131.23
596.46	1,818.58	-
-	2.90	-
<b>8,077.99</b>	<b>9,208.49</b>	<b>10,291.96</b>

- (i) Stock in trade held outside India
- (ii) Stock in trade held in India
- Total (B)**

-	-	-
8,077.99	9,208.49	10,291.96
<b>8,077.99</b>	<b>9,208.49</b>	<b>10,291.96</b>

Less: Allowance for impairment (C)  
Total Net (A-C)

-	-	-
<b>8,077.99</b>	<b>9,208.49</b>	<b>10,291.96</b>





# Edelweiss Rural & Corporate Services Limited

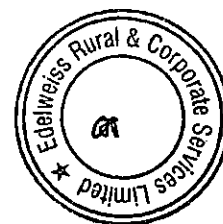
(formerly known as Edelweiss Commodities Services Limited)

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019			As at 31 March 2018			As at 1 April 2017		
	Face value	Quantity	Amount	Face value	Quantity	Amount	Face value	Quantity	Amount
<b>11 Current investments</b>									
<b>Mutual Fund</b>									
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth Plan	-	-	-	414.06	-	1.76	1,000	392	1.45
Invesco India Trasury Advantage Fund-Regular growth	-	-	-	482.25	-	1.08	1,000	482	1.11
<b>Investments in partnership firm, Capital account</b>									
Edelvalue Partners - Capital Account	-	-	0.02	-	-	3.48	-	-	0.02
Edelweiss Resolution Advisors LLP	-	-	0.03	-	-	-	-	-	0.07
Edelweiss Multi Strategy Fund Advisors LLP	-	-	0.10	-	-	0.10	-	-	-
<b>Investment in others</b>									
Forefront Wealth Advisors LLP - Current Account	-	-	1.07	-	-	1.73	-	-	19.86
Edelvalue Partners - Current Account	-	-	-	-	-	-	-	-	36.11
			<u>1.22</u>			<u>8.15</u>			<u>58.62</u>

Note: Disclosures as required by IND AS 107 have been seperately provided in Note 56 and 59



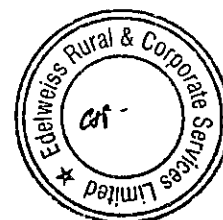
# Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>12 Trade receivables</b>			
Receivables considered good - Secured*	1,500.43	8,613.88	2,983.70
Receivables considered good - Unsecured	1,729.54	1,823.99	1,256.06
Receivables - Credit impaired	237.58	258.75	0.00
	<u>3,467.55</u>	<u>10,696.62</u>	<u>4,239.76</u>
Less : Allowance for expected credit losses	368.39	325.38	299.16
	<u>3,099.16</u>	<u>10,371.24</u>	<u>3,940.60</u>
<i>*secured by inventory held on behalf of principal marked as lien</i>			
<b>13 Cash and cash equivalents</b>			
Cash on hand	0.04	0.13	0.07
Cheques, drafts on hand	-	1,500.00	-
Balances with banks *	<u>5,393.31</u>	<u>1,601.13</u>	<u>652.13</u>
	<u>5,393.35</u>	<u>3,101.26</u>	<u>652.20</u>
<i>* Fixed deposit amounting to Rs. 280.55 millions (Previous year: Rs. 36.67 millions) held under encumbrance - refer note 43</i>			
<b>14 Bank balances other than cash and cash equivalents</b>			
Fixed deposits (refer note 43 on Encumbrances on fixed deposits )	733.96	543.71	1,990.93
Long term bank deposits with banks	30.52	48.83	52.22
Short term bank deposits with banks	0.36	0.16	3.52
	<u>764.84</u>	<u>592.70</u>	<u>2,046.67</u>

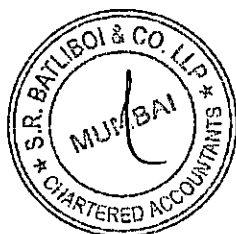


**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>15 Loans - Current</b>			
<u>Secured</u>			
Interest accrued on credit substitutes (secured - refer note on schedule 4)	995.83	1,476.66	1,174.25
<u>Unsecured</u>			
Loans and advances to related parties	16,979.75	51,838.14	46,344.24
Loan & Advances to others	-	397.09	513.93
Loans and advances to employees	3.41	4.74	7.78
Accrued interest on loans given related parties	366.17	164.35	572.83
Intercompany deposits placed	4,152.43	5,472.10	14,824.60
Accrued interest on intercompany deposits	0.01	-	21.97
Impairment on intercompany deposits placed	(270.31)	(332.59)	(386.87)
	<b>22,227.29</b>	<b>59,020.49</b>	<b>63,072.73</b>
<b>16 Other financial assets</b>			
Deposits placed with exchange/depositories	1.88	4.66	5.71
Deposits- others	140.07	111.48	105.58
Accrued interest on margin	-	0.71	0.02
Receivable from exchange / clearing house (net)	0.52	0.52	4.33
Interest accrued on fixed deposits (refer note 43 on Encumbrances on fixed deposits)	5.58	3.57	0.85
Currency options premium paid	-	14.31	5.53
Premium paid on outstanding exchange traded options (including MTM)	-	0.59	0.12
Margin placed with broker	83.01	435.14	643.93
Advances recoverable in cash or in kind or for value to be received	-	3.70	0.25
	<b>231.06</b>	<b>574.68</b>	<b>766.32</b>
<b>17 Current tax assets (net)</b>			
Advance income taxes (net of provision for income tax of Rs. 245.27 millions (Previous year: Rs. 1,747.45 millions))	516.56	1,022.76	117.88
	<b>516.56</b>	<b>1,022.76</b>	<b>117.88</b>
<b>18 Other current assets</b>			
(Unsecured considered good, unless stated otherwise)			
Input tax credit	405.23	393.42	267.89
Advances to others	0.38	0.21	0.11
Advances to employees	-	4.07	0.44
Prepaid expenses	61.09	55.13	32.55
Vendor advances	315.25	217.86	160.28
Advances recoverable in cash or in kind or for value to be received	10.08	30.26	10.89
	<b>792.03</b>	<b>700.95</b>	<b>472.16</b>



**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>19 Share capital</b>			
<b>Authorised:</b>			
4,25,00,000 (Previous year: 3,00,00,000) equity shares of Rs. 10 each	425.00	300.00	300.00
7,20,00,000 (Previous year: 7,20,00,000) preference shares of Rs. 10 each	720.00	720.00	720.00
	<b>1,145.00</b>	<b>1,020.00</b>	<b>1,020.00</b>
<b>Issued, Subscribed and Paid up:</b>			
3,97,75,367 (Previous year: 2,97,75,368) equity shares of Rs. 10 each, fully paid up	397.75	297.75	297.75
	<b>397.75</b>	<b>297.75</b>	<b>297.75</b>

**Reconciliation of shares outstanding at the beginning and at the end of the year:**

	31 March 2019		31 March 2018		1 April 2017	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Equity shares of Rs. 10 each fully paid</b>						
Outstanding at the beginning of the year	2,97,75,368	297.75	2,97,75,368	297.75	2,97,75,368	297.75
Issued during the year	99,99,999	100.00	-	-	-	-
Cancelled due to merger	-	-	-	-	-	-
Outstanding at the end of the year	<b>3,97,75,367</b>	<b>397.75</b>	<b>2,97,75,368</b>	<b>297.75</b>	<b>2,97,75,368</b>	<b>297.75</b>

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

	31 March 2019		31 March 2018		1 April 2017	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
<b>Equity shares</b>						
Edelweiss Financial Services Limited, the holding company and its nominees	3,27,16,544	82.25%	2,97,75,368	100%	2,97,75,368	100%
Edel Finance company Limited	70,58,823	17.75%	-	-	-	-

**Details of shares in the Company held by each shareholder holding more than 5 percent shares:**

	31 March 2019		31 March 2018		1 April 2017	
	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding	Number of shares	Percentage Shareholding
<b>Equity shares of Rs 10 each fully paid up</b>						
Edelweiss Financial Services Limited, the holding company and its nominees	3,27,16,544	82.25%	2,97,75,368	100%	2,97,75,368	100%
Edel Finance company Limited	70,58,823	17.75%	-	-	-	-

**Rights, preferences and restrictions attached to equity shares:**

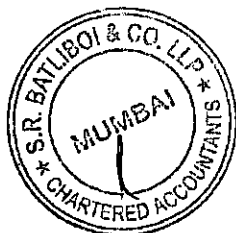
the Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution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

**Note 1:**

No share allotted as fully paid up by way of bonus shares by the Company during the period of five years immediately preceding the balance sheet date.

**Note 2:**

No shares bought back by the Company during the period of five years immediately preceding the balance sheet date.

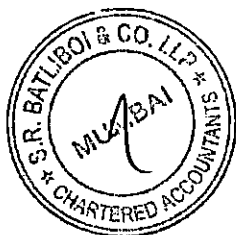


**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>20 Reserves and surplus</b>			
Capital Reserve	402.85	402.85	49.21
Capital Redemption Reserve	30.00	30.00	-
Securities Premium Account	2,644.51	1,044.51	1,012.16
General Reserve	-	-	181.68
Debenture Redemption Reserve	2,356.22	2,356.22	1,661.36
ESOP Reserve	62.41	62.41	52.77
Retained earnings	(41.73)	(1,336.76)	(3,706.65)
	<b>5,454.26</b>	<b>2,559.23</b>	<b>(749.47)</b>
<b>Movement in Reserves and surplus</b>			
i. Capital Reserve - Opening balance	402.85	49.21	
Add : Additions during the year	-	353.64	
Capital Reserve	<b>402.85</b>	<b>402.85</b>	<b>49.21</b>
ii. Capital Redemption Reserve - Opening balance	30.00	-	
Add : Additions during the year	-	30.00	
Capital Redemption Reserve	<b>30.00</b>	<b>30.00</b>	<b>-</b>
iii. Securities Premium Account - Opening balance	1044.51	1012.16	
Add : Additions during the year	1600.00	32.35	
Securities Premium Account	<b>2644.51</b>	<b>1044.51</b>	<b>1012.16</b>
iv. General Reserve - Opening balance	-	181.68	
Less : utilisations during the year	-	(181.68)	
General Reserve	<b>-</b>	<b>-</b>	<b>181.68</b>
v. Debenture Redemption Reserve - Opening balance	2356.22	1661.36	
Add : Additions during the year	-	694.86	
Debenture Redemption Reserve	<b>2356.22</b>	<b>2356.22</b>	<b>1661.36</b>
vi. ESOP reserve - Opening balance	62.41	52.77	
Add : Additions during the year	-	9.64	
ESOP Reserve	<b>62.41</b>	<b>62.41</b>	<b>52.77</b>
vii. Retained Earnings - Opening Balance	(1,336.76)	(3,706.65)	(841.09)
Add: Transactions with shareholders in their capacity as such	8.71	2,336.54	-
Add: Deferred tax on ESOP	(48.95)	48.95	-
Add: on account of Demerger	-	78.82	-
Add: Profit for the year	1,339.34	746.10	802.76
Add: Other comprehensive income for the year	(4.07)	1.88	0.34
Add: Ind AS adjustments	-	-	(2,440.23)
Amount available for appropriation	<b>(41.73)</b>	<b>(494.36)</b>	<b>(2,478.22)</b>
<b>Appropriations:</b>			
Interim dividend	-	248.62	452.59
Dividend on preference shares	-	-	38.39
Dividend distribution tax	-	50.60	100.24
Transfer to general reserve	-	(181.68)	-
Transfer to capital redemption reserve	-	30.00	-
Transfer to Debenture Redemption Reserve	-	694.86	637.21
	<b>-</b>	<b>842.40</b>	<b>1,228.43</b>
Retained earnings	<b>(41.73)</b>	<b>(1,336.76)</b>	<b>(3,706.65)</b>

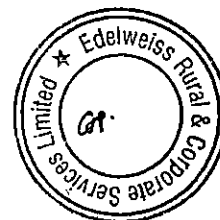
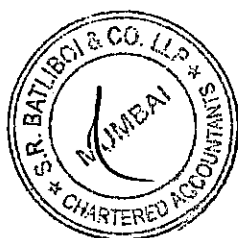


**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>21 Long-term borrowings</b>			
<i>Secured</i>			
Non-convertible redeemable debentures *	36,880.20	52,464.33	27,291.91
Term loans from bank	-	-	2,030.37
[Secured by charge on immovable property with bank]			
Interest accrued on borrowings	1,502.23	1,177.77	1,099.76
<i>Unsecured</i>			
Preference Shares Capital - Fellow Subsidiaries	1,420.50	1,299.86	1,711.53
Preference Shares Capital - Outsiders	379.35	379.35	379.35
	<b>40,182.28</b>	<b>55,321.31</b>	<b>32,512.92</b>
<i>*Secured by charge on immovable property and a pari passu charge on the receivables and stock in trade to the extent equal to the principal and interest amount i.e. redemption value of debentures.</i>			
<b>22 Other financial liabilities</b>			
Rental Deposits	51.24	68.61	84.65
Other payables	-	0.10	-
	<b>51.24</b>	<b>68.71</b>	<b>84.65</b>
<b>23 Long-term provisions</b>			
Provision for employee benefits			
Gratuity	1.86	36.97	12.30
Compensated leave absences	11.36	10.34	6.79
Deferred bonus	-	-	48.19
	<b>13.22</b>	<b>47.31</b>	<b>67.28</b>

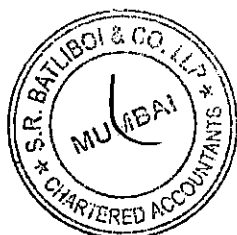


**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (*Continued*)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>24 Short-term borrowings</b>			
<u><b>Secured</b></u>			
Bank overdraft [Secured by pari passu charge on inventory and corporate guarantee of ultimate holding company]	-	-	252.06
Working capital demand loan [Secured by charge on inventory, receivables and fixed deposits]	207.19	-	1,000.00
Privately Placed Non-convertible debentures [Secured by charge on immovable property and a pari passu charge on the receivables and stock in trade to the extent equal to the principal and interest amount i.e. redemption value of debentures]	8,678.65	910.00	4,115.00
<b>Sub-total (A)</b>	<b>8,885.84</b>	<b>910.00</b>	<b>5,367.06</b>
<u><b>Unsecured</b></u>			
Loan from related parties	1,015.30	969.28	7,158.04
Inter-corporate deposits	4.00	2,968.52	487.50
Commercial paper	1,000.00	52,340.00	56,530.00
Less : Unamortised discount	(20.57)	(1,066.11)	(961.93)
	<b>979.43</b>	<b>51,273.89</b>	<b>55,568.07</b>
Bank overdraft	-	1.71	7,500.00
Short term loan from bank	-	-	406.25
<b>Sub-total (B)</b>	<b>1,998.73</b>	<b>55,213.40</b>	<b>71,119.86</b>
Interest accrued on borrowings (C)	597.55	857.62	653.73
<b>Total (A+B+C)</b>	<b>11,482.12</b>	<b>56,981.02</b>	<b>77,140.65</b>



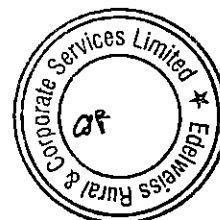
# Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 1 April 2017
<b>25 Trade Payables</b>			
Total outstanding dues of micro enterprises and small enterprises	-	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	2,175.46	4,359.46	4,586.23
	<u>2,175.46</u>	<u>4,359.46</u>	<u>4,586.23</u>
<b>26 Other financial liabilities</b>			
Book overdraft	78.51	379.39	810.59
Accrued salaries and benefits	202.85	330.74	112.39
Others	1.26	-	-
Retention money payable	5.23	3.62	5.42
	<u>287.85</u>	<u>713.75</u>	<u>928.40</u>
<b>27 Other current liabilities</b>			
Withholding taxes, Goods & service tax and other taxes payable	6.82	286.93	77.95
Advances from customers	311.56	424.48	217.43
Others	35.83	131.64	165.77
	<u>354.21</u>	<u>843.05</u>	<u>461.15</u>
<b>28 Short-term provisions</b>			
Provision for employee benefits :			
Gratuity	2.77	10.52	2.31
Compensated absences	2.75	3.26	1.60
Deferred bonus	-	97.06	109.28
Proposed dividend	38.39	38.39	237.88
Provision for dividend distribution tax	7.89	7.81	48.72
Provision for capital expenditure	-	4.00	0.67
	<u>51.80</u>	<u>161.04</u>	<u>400.46</u>
<b>29 Current tax liabilities (net)</b>			
Provision for taxation	36.86	180.66	61.67
(net of income tax of Rs. 625.38 millions (Previous year: Rs. 276.82 millions))	<u>36.86</u>	<u>180.66</u>	<u>61.67</u>



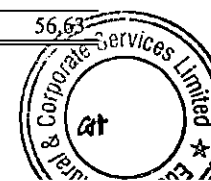


**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Indian rupees in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>30 Fee and commission income</b>		
Income from commodities services	200.15	218.14
Business support services income	1,594.64	1,108.92
Advisory income (including referral and arranger fees)	117.58	508.57
Others	0.18	0.30
	<b>1,912.55</b>	<b>1,835.93</b>
<b>31 Income from treasury</b>		
Profit / (Loss) on trading of securities (net)	220.27	12.53
Profit / (Loss) on trading in equity derivative instruments (net)	113.71	75.65
Profit / (Loss) on trading in commodity derivative instruments (net)	99.80	(1.24)
Profit / (Loss) on trading in currency derivative instruments (net)	(225.11)	(31.69)
Profit / (Loss) on trading in interest rate derivative (net)	8.63	38.62
Profit on sale of current Investment	-	0.60
Gain on derecognition of investment in preference shares	-	188.28
Profit on sale of long term investment	3.56	370.80
Dividend on Stock in trade	0.16	267.29
Dividend on long term investment	0.18	-
Share of profit/(loss) in partnership firm	(4.33)	40.00
Fair value gain / (loss) - Equity	8.26	(116.83)
Profit / (Loss) on sale of long term investment	(11.66)	(112.98)
Fair value gain / (loss) - Debt Instruments	881.61	(137.20)
	<b>1,095.08</b>	<b>593.83</b>
<b>32 Interest income</b>		
Interest Income from group company loans	5,839.87	8,084.39
Interest income on loans from others	596.96	2,879.32
Interest income on fixed deposits	32.62	101.72
Interest income on debt instrument	4,124.68	1,706.49
Interest income on margin with brokers	25.56	35.88
Interest income on delayed payments	522.51	468.63
Interest income on preference shares - group companies	-	172.13
Interest income on unwinding of security deposit	1.25	-
Interest Income - Others	146.41	5.19
	<b>11,289.86</b>	<b>13,453.75</b>
<b>33 Other operating revenue</b>		
Warehouse income	771.61	1,022.85
Rental income	382.34	425.72
Gain due to foreign exchange movement on trade	60.67	44.14
	<b>1,214.62</b>	<b>1,492.71</b>
<b>34 Other income</b>		
Profit on sale of fixed assets (net)	1.13	43.53
Foreign exchange gain	3.55	-
Miscellaneous income	42.38	13.10
	<b>47.06</b>	<b>56.63</b>



# Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>35 Employee benefit expenses</b>		
Salaries, wages and bonus	1,476.65	1,433.99
Contribution to provident and other funds	55.27	60.22
Expense on Employee Stock Option Scheme (ESOP) and Employee Stock Purchase Plan (ESPP)	(1.62)	7.28
Staff welfare expenses	79.08	69.01
	<b>1,609.38</b>	<b>1,570.50</b>
<b>36 Finance costs</b>		
Interest on debentures	4,530.55	3,776.94
Interest on inter-corporate deposits	58.66	100.51
Interest on term loan	-	136.32
Interest on bank overdraft	14.39	19.03
Interest on loan from group companies	426.13	764.64
Interest on loan from others	88.93	783.33
Interest - others	19.59	10.76
Discount on commercial paper	4,114.32	5,736.38
Financial and bank charges	292.32	471.15
Interest on buyer's credit	6.85	60.57
Interest on shortfall in payment of advance income tax	-	3.33
Finance cost- Preference Shares	162.38	201.61
	<b>9,714.12</b>	<b>12,064.57</b>

4



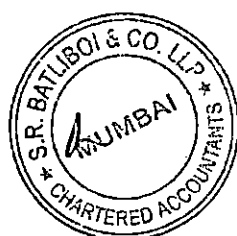
# Edelweiss Rural & Corporate Services Limited

(formerly known as Edelweiss Commodities Services Limited)

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
<b>37 Other expenses</b>		
Advertisement and business promotion	49.10	5.13
Auditor's remuneration	7.81	7.06
Commission and brokerage	55.95	13.83
Communication expenses	44.07	38.76
Computer expenses	161.19	79.40
Clearing and custodian charges	17.09	15.11
Contribution towards corporate social responsibilities	6.50	5.30
Dematerialisation charges	1.21	0.40
Directors' sitting fees	1.24	1.23
Donation	-	0.70
Electricity charges (net)	39.83	23.51
Foreign exchange loss (net)	-	1.02
Insurance	37.14	31.68
Legal and professional fees	323.27	171.67
Membership and subscriptions	2.29	8.18
Office expenses	248.68	230.12
Postage and courier	10.07	10.16
Printing and stationery	70.73	7.19
Impairment on financial instruments (net)	(108.98)	534.65
Rates and taxes	31.94	14.58
Rating support fees	1.30	1.11
Rent	623.18	735.85
Repairs and maintenance - Building	0.18	0.14
Repairs and maintenance - others	48.58	30.32
Security transaction tax	-	72.65
Goods and Service tax expenses	145.70	79.54
Stamp duty	6.26	5.99
Stock exchange expenses	0.48	1.54
Transportation charges	34.02	(0.53)
Travelling and conveyance	85.34	76.72
Warehousing charges	106.76	159.07
Miscellaneous expenses	58.52	21.90
	<b>2,109.45</b>	<b>2,383.98</b>
<b>Auditor's remuneration:</b>		
As auditors		
Other services	6.14	5.01
Reimbursement of expenses	1.67	2.05
	<b>7.81</b>	<b>7.06</b>



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

(Currency: Rupees in millions)

**38 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
Capital based business	Income from commodity trading, commodity derivatives and rental income.
Treasury management	Interest income and investment activity
Agency Business	Income from Real Estate Advisory activities, Business Support Services / Web Based Services, Warehouse and other fee based services

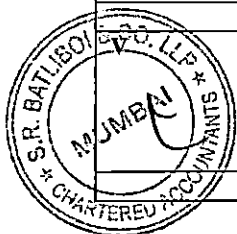
Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments using basis such as employees headcount or segment revenue. Based on such allocations, segment disclosures relating 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 in terms of provisions of Accounting Standard on Segment Reporting (Ind AS 108)

Particulars		As at/ For the year ended 31 March 2019	As at/ For the year ended 31 March 2018
<b>I</b>	<b>Segment Revenue</b>		
	a) Capital based business	16,382.58	20,352.59
	b) Treasury	12,137.50	14,043.63
	c) Agency	2,688.95	2,858.73
	d) Unallocated	146.42	5.83
	<b>Total Income</b>	<b>31,355.45</b>	<b>37,260.78</b>
<b>II</b>	<b>Segment Results</b>		
	a) Capital based business	198.81	(235.15)
	b) Treasury	1,861.07	999.27
	c) Agency	(76.49)	230.98
	d) Unallocated	139.92	(2.80)
	<b>Total</b>	<b>2,123.31</b>	<b>992.30</b>
	<b>Profit before taxation</b>	<b>2,123.31</b>	<b>992.30</b>
	Less : Provision for taxation	783.97	246.20
	<b>Profit after taxation</b>	<b>1,339.34</b>	<b>746.10</b>
<b>III</b>	<b>Segment Assets</b>		
	a) Capital based business	6,592.77	6,196.17
	b) Treasury	50,611.38	1,11,094.92
	c) Agency	1,620.86	2,067.89
	d) Unallocated	1,662.04	2,174.31
	<b>Total</b>	<b>60,487.05</b>	<b>1,21,533.29</b>
<b>IV</b>	<b>Segment Liabilities</b>		
	a) Capital based business	2,384.98	3,060.52
	b) Treasury	52,196.60	1,15,287.50
	c) Agency	16.65	147.68
	d) Unallocated	36.81	180.61
	<b>Total</b>	<b>54,635.04</b>	<b>1,18,676.31</b>
	<b>Capital expenditure (including intangibles under development)</b>		
	a) Capital based business	452.05	86.07
	b) Treasury	109.75	84.59
	c) Agency	-	-
	d) Unallocated	-	-
	<b>Total</b>	<b>561.80</b>	<b>170.66</b>



Edelweiss Rural & Corporate Services Limited  
(formerly known as Edelweiss Commodities Services Limited)

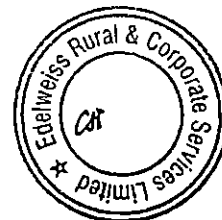
**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**38 Segment reporting (continued):**

Particulars		As at/ For the year ended 31 March 2019	As at/ For the year ended 31 March 2018
<b>VI</b>	<b>Depreciation and amortisation</b>		
	a) Capital based business	228.59	242.12
	b) Treasury	66.47	64.33
	c) Agency	14.73	13.09
	d) Unallocated	-	-
	<b>Total</b>	<b>309.79</b>	<b>319.54</b>
<b>VII</b>	<b>Significant non-cash expenses other than depreciation and amortisation</b>		
	a) Capital based business	-	-
	b) Treasury	(175.61)	534.65
	c) Agency	66.63	-
	d) Unallocated	-	-
	<b>Total</b>	<b>(108.98)</b>	<b>534.65</b>

No single customer represents 10% or more of the Company's total revenue for the year ended 31 March 2019 and 2018.



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

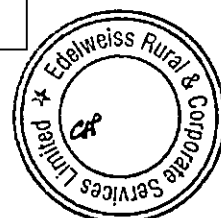
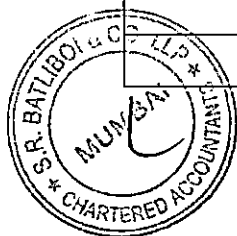
(Currency: Rupees in millions)

**39 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014:**

Sr. No.	Particulars
<b>A.</b>	<b>Names of related parties by whom control is exercised</b>
	Edelweiss Financial Services Limited, ultimate holding company
<b>B.</b>	<b>Entities which are controlled by the Company</b>
	Edelweiss Agri Value Chain Limited*
	Edelweiss Capital Markets Limited*
	Edelweiss Housing Finance Limited
	Edel Commodities Limited *
	EFSL Comrade Limited *
	Edelweiss Business Services Limited*
	EFSL Trading Limited*
	Edelweiss Commodities Pte Limited (till 6 <sup>th</sup> December 2017)
	Edelweiss Tarim Urunleri Anonim Sirketi (till 27 <sup>th</sup> February 2018)
	EC Commodity Limited (w.e.f 29 <sup>th</sup> March 2019)
	Edelweiss Comtrade Limited (w.e.f 29 <sup>th</sup> March 2019)

\*merged with the Company w.e.f. 1<sup>st</sup> August 2018 pursuant to Scheme of Amalgamation however merger accounting for the same has been effected w.e.f. 1<sup>st</sup> April 2017 basis “Method of accounting for common control business combinations” in accordance with Ind AS 103.

<b>C.</b>	<b>Fellow Subsidiaries with whom the Company has transactions</b>
	Edelweiss Finvest Private Limited
	Lichen Metals Private Limited
	Allium Finance Private Limited
	Edelweiss Asset Reconstruction Company Limited
	ECL Finance Limited
	Edelweiss Finance & Investments Limited
	Edelweiss Securities Limited
	Edelweiss Custodial Services Limited
	Edelweiss Trustee Services Limited



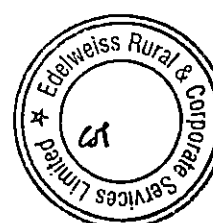
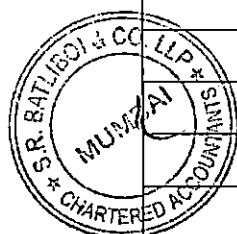
**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

**39 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (continued):**

<b>C.</b>	<b>Fellow Subsidiaries with whom the Company has transactions (continued):</b>
	Edelweiss Asset Management Limited *
	Edelcap Securities Limited
	ECap Equities Limited
	Edelweiss Broking Limited
	Edelweiss Investment Adviser Limited
	Edel Land Limited
	Edelweiss Global Wealth Management Limited
	Edel Finance Company Limited
	Edelweiss Insurance Brokers Limited
	Edelweiss Tokio Life Insurance Company Limited
	Edelweiss Alternative Asset Advisors Limited
	Edel Investments Limited
	Aster Commodities DMCC
	Edelweiss Multi Strategy Funds Management Private Limited* (Merged with Edelweiss Asset Management Limited w.e.f 1 <sup>st</sup> February 2019)
	Edelgive Foundation
	Edelweiss Finvest Private Limited
	Auris Corporate Centre Limited (merged with Ecap Equities Limited w.e.f 1 <sup>st</sup> April 2017 )
	Burlington Business Solutions Limited (merged with Ecap Equities Limited w.e.f 1 <sup>st</sup> April 2017 )
	Edelweiss Retail Finance Limited
	Olive Business Centre Limited (merged with Ecap Equities Limited w.e.f 1 <sup>st</sup> April 2017 )
	Eternity Business Centre Limited (merged with Ecap Equities Limited w.e.f 1 <sup>st</sup> April 2017 )
	Serenity Business Park Limited (merged with Ecap Equities Limited w.e.f 1 <sup>st</sup> April 2017 )
	Edelweiss General Insurance Company Limited
	EW Clover Scheme
	Edelweiss Trusteeship Company Limited
	EC Global Limited
	Edelweiss Capital Singapore Pte Limited
	EC International Limited, Mauritius
	Edelweiss Alternative Asset Advisors Pte Limited
	Edelweiss International Singapore Pte Limited
	Edelweiss Investment Advisors Private Limited



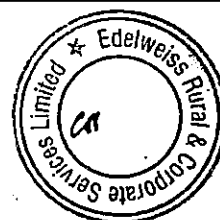
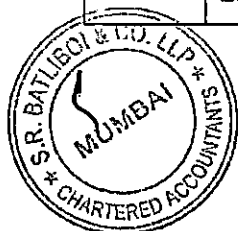
**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

**39 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (continued):**

<b>C.</b>	<b>Fellow Subsidiaries with whom the Company has transactions (continued):</b>
	EAAA, LLC
	EW Special Opportunities Advisors LLC
	EW India Special Assets Advisors LLC
	Edelweiss Securities (Hong kong) Private Limited
	Edelweiss Financial Services Inc
	Edelweiss India Capital Management
	EFSL International Limited
	Edelweiss Financial Services ( UK) Limited
	Edelweiss Holdings Limited
	Edelweiss Securities ( IFSC) Limited
	Alternative Investment Market Advisors Private Limited
	Allium Finance Private Limited w.e.f 02nd December 2018
	Edelweiss Securities Trading and Management Private Limited (Formerly known as Dahlia Commodities Services Private Limited)
	Edelweiss Securities and Investments Private Limited (Formerly known as Magnolia Commodities Services Private Limited)
<b>D.</b>	<b>Enterprises in which fellow subsidiary companies exercise significant influence with whom transactions have taken place:</b>
	Edelweiss Multi Strategy Fund Advisors LLP (formerly known as Forefront Alternative Investment Advisors LLP)
	Edelweiss Wealth Advisors LLP (formerly known as Forefront Wealth Advisors LLP)
	Edelweiss Private Equity Tech Fund
	Edelweiss Value and Growth Fund





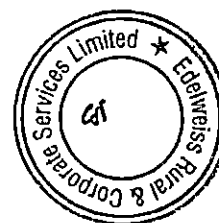
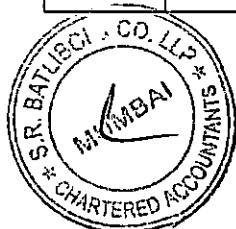
Edelweiss Rural & Corporate Services Limited  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

- 39 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosures” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 (continued):

<b>E.</b>	<b>Key Management Personnel with whom transactions have taken place</b>
	Mr. Rujan Panjwani (Executive Director) Mr. Santosh Dadheech
<b>F.</b>	<b>Non-Executive Directors</b>
	Ms. Kalpana Maniar Mr. Pradeep Nagori
<b>G.</b>	<b>Independent Directors</b>
	Dr. Vinod Juneja Mr. Kunnasagaran Chinniah



**Edelweiss Rural Corporate Services Limited**  
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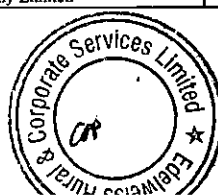
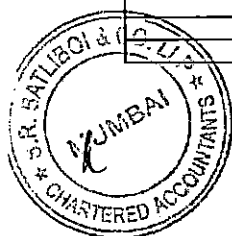
Note to financials statements (Continued)

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

**(H) Transactions and balances with related parties:**

Particulars	Name of related parties	2018-2019	2017-2018
<b>Capital account transactions during the year</b>			
Interim dividend paid/proposed	Edelweiss Financial Services Limited	-	248.62
	Edelweiss Securities Limited	0.70	0.70
	ECL Finance Limited	0.70	0.70
Shares issued to	Edel Finance Company Limited	500.00	-
	Edelweiss Financial Service Limited	1,200.00	-
<b>Current account transactions during the year</b>			
Inter-corporate deposits placed with	EW Clover Scheme I	9,645.00	36,998.50
	Edelweiss Asset Reconstruction Company Limited	23,445.04	8,100.00
Inter corporate deposits repaid by	EW Clover Scheme I	9,645.00	36,998.50
	Edelweiss Asset Reconstruction Company Limited	23,445.04	7,800.00
Short term loans taken from	Edelweiss Financial Services Limited	5,675.23	23,205.31
	ECap Equities Limited	11,667.77	4,152.40
	ECL Finance Limited	4,573.30	6,453.41
	Edelweiss Finvest Private Limited	3,706.13	3,743.03
	Lichen Metals Private Limited	130.96	26.20
	Edelweiss Insurance Brokers Limited	4.70	31.98
	Edelweiss Trustee Services Limited	15.10	2.27
	Alternative Investment Market Advisors Private Limited	46.13	4.50
	Edel Finance Company Limited	1,033.80	-
	EC Commodity Limited	51.70	-
	Edel Investments Limited	504.00	-
	Allium Finance Private Limited	731.70	-
	Edelweiss Wealth Advisors LLP	-	50.00
Short term loans repaid to	Edelweiss Financial Services Limited	6,498.61	20,658.78
	Ecap Equities Limited	11,667.17	10,074.00
	ECL Finance Limited	4,573.30	6,453.41
	Edelweiss Finvest Private Limited	3,502.04	4,151.71
	Lichen Metals Private Limited	140.60	16.00
	Edelweiss Insurance Brokers Limited	122.01	16.05
	Edelweiss Trustee Services Limited	13.92	13.27
	Alternative Investment Market Advisors Private Limited	0.64	-
	Edel Finance Company Limited	1,015.43	-
	EC Commodity Limited	51.30	-
	Edel Investments Limited	503.33	-
	Edelweiss Wealth Advisors LLP	-	50.00
Long term loans repaid to (Refer note 1 and 2)	Edelweiss Asset Reconstruction Company Limited	-	160.50
Short term loans given to (Refer note 1 and 2)	ECap Equities Limited	36,146.75	63,460.23
	ECL Finance Limited	30,447.56	47,426.59
	Edelweiss Finvest Private Limited	15,368.06	25,454.76
	Edelcap Securities Limited	14,085.51	11,618.42
	Edel Investments Limited	12,585.81	4,988.37
	Edelweiss Investment Advisers Limited	8,968.81	663.47
	Edelweiss Global Wealth Management Limited	7,324.88	139.05
	Edelweiss Retail Finance Limited	6,354.81	5,171.46
	Edelweiss Securities Limited	6,057.65	9,200.37
	Edelweiss Housing Finance Limited	5,984.99	3,726.56
	Dahlia Financial Services Pvt. Limited	5,881.41	4,042.72
	Edelweiss Broking Limited	5,617.49	7,423.56
	Magnolia Financial Services Pvt. Limited	4,948.39	12,095.86
	Edelweiss Financial Services Limited	3,642.38	2,968.60
	Edelweiss Finance and Investments Limited	3,362.96	19,252.30
	Edelweiss Custodial Services Limited	1,354.29	3,338.54
	Edelweiss Asset Management Limited	515.85	146.06
	Edelweiss Alternative Asset Advisors Limited	504.44	627.95
	EC Commodity Limited	446.36	3,257.97
	Edelweiss Comtrade Limited	227.05	343.15
	Edel Land Limited	201.15	4,430.51
	Edelweiss Multi Strategy Fund Advisors LLP	78.93	-
	Lichen Metals Private Limited	21.36	8.89
	Edelweiss Trustee Services Limited	5.69	-
	Edel Finance Company Limited	1.82	-
	Edelweiss Asset Reconstruction Company Limited	-	-



**Edelweiss Rural Corporate Services Limited**  
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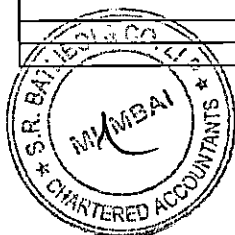
Note to financials statements (Continued)

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2018-2019	2017-2018
	Edelweiss Multi Strategy Funds Management Private Limited	-	571.10
	Edelweiss Wealth Advisors LLP	-	1.73
Short term loans repaid by	ECap Equities Limited	38,169.79	61,349.20
(Refer note 1 and 2)	ECL Finance Limited	41,561.52	49,382.44
	Edelweiss Finvest Private Limited	23,129.53	17,692.80
	Edelcap Securities Limited	15,558.29	11,191.78
	Edel Investments Limited	12,551.09	5,434.04
	Edelweiss Investment Advisers Limited	9,405.14	4,318.34
	Edelweiss Global Wealth Management Limited	6,127.47	80.04
	Edelweiss Retail Finance Limited	7,629.27	4,628.94
	Edelweiss Securities Limited	5,117.15	14,634.28
	Edelweiss Housing Finance Limited	6,180.06	3,686.26
	Dahlia Financial Services Pvt. Limited	6,023.71	4,152.08
	Edelweiss Broking Limited	11,490.68	2,684.72
	Magnolia Financial Services Pvt. Limited	6,157.69	11,116.13
	Edelweiss Financial Services Limited	-	10,118.93
	Edelweiss Finance and Investments Limited	3,051.92	19,516.51
	Edelweiss Custodial Services Limited	1,655.28	3,448.99
	Edelweiss Asset Management Limited	484.81	254.56
	Edelweiss Alternative Asset Advisors Limited	120.76	34.68
	EC Commodity Limited	1,816.30	1,968.48
	Edelweiss Comtrade Limited	340.80	180.77
	Edel Land Limited	734.47	4,022.95
	Lichen Metals Private Limited	-	280.57
	Edelweiss Trustee Services Limited	5.56	-
	Edel Finance Company Limited	1.82	-
	Edelweiss Asset Reconstruction Company Limited	4,989.26	160.50
	Edelweiss Multi Strategy Funds Management Private Limited	695.49	72.30
	Edelweiss Wealth Advisors LLP	-	57.93
Commercial paper subscribed by	ECap Equities Limited	-	43,000.00
Commercial paper repaid to	ECap Equities Limited	-	48,000.00
Non Convertible Debentures subscribed by	ECap Equities Limited	-	200.00
Redemption of Stock in trade in debentures of	Edelweiss Asset Reconstruction Company Limited	-	984.82
Security deposit received from	Edelweiss Financial Services Limited	-	0.10
Nomination deposit given to	Edelweiss Financial Services Limited	-	0.20
Nomination deposit received from	Edelweiss Financial Services Limited	-	0.20
<b>Investments</b>			
Investments in equity shares of	Edelweiss Comtrade Limited	38.86	-
	EC Commodities Limited	501.43	-
Investments in preference shares	Allium Finance Private Limited	648.45	-
Investment in others	Edelweiss Value and Growth Fund	122.59	262.48
	Edelweiss Private Equity Tech Fund	23.68	41.60
	Edelweiss Real Estate Opportunities Fund	1.00	-
Investment in Partnership firm	Edelweiss Wealth Advisors LLP	1.96	-
Investments in debentures of	Edelweiss Asset Reconstruction Company Limited	-	4,944.44
	Edelweiss Retail Finance Limited	-	496.02
Investments in Nifty Linked Debentures (NLD) of	ECap Equities Limited	-	1,752.65
	Edelweiss Finvest Private Limited	-	55.00
	ECL Finance Limited	-	42.00
Redemption in debentures of	Edelweiss Asset Reconstruction Co.Limited	-	984.82
Redemption of preference shares	ECap Equities Limited	-	1,800.00
	Edelweiss Broking Limited	-	1,417.00
	Edelweiss Securities Limited	-	260.00
	Edelweiss Investment Advisers Limited	-	205.00
	Edel Land Limited	-	125.00



**Edelweiss Rural Corporate Services Limited**  
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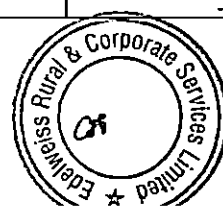
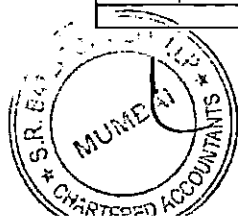
Note to financials statements (Continued)

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

**(H) Transactions and balances with related parties:**

Particulars	Name of related parties	2018-2019	2017-2018
<b>Secondary market transactions (acting as broker)</b>			
Margin placed with (Refer note 1 and 2)	Edelweiss Securities Limited	1,065.27	882.21
	Edelweiss Custodial Services Limited	1,764.72	1,209.22
	EC Commodity Limited	-	20.55
Margin withdrawn from (Refer note 1 and 2)	Edelweiss Securities Limited	1,101.48	1,045.76
	Edelweiss Custodial Services Limited	2,115.33	1,393.89
	EC Commodity Limited	-	20.55
Purchase of commodities from	EC Commodity Limited	582.22	3,357.64
	Edelweiss Securities And Investments Private Limited	536.31	-
	Edelweiss Securities Trading And Management Pvt Limited	176.88	-
	Lichen Metals Private Limited	0.74	-
Purchase of fixed assets from	Edelweiss Securities Limited	-	6.48
	Edelweiss Global Wealth Management Limited	-	1.30
	Edelweiss Broking Limited	343.20	1.01
	Ecap Equities Limited	-	0.78
	Edelweiss Investment Adviser Limited	-	0.51
	Edelweiss Financial Services Limited	-	0.24
	ECL Finance Limited	-	0.12
	Edelweiss Finance and Investments Limited	-	0.10
	Edelweiss Asset Management Limited	-	0.05
	Edelweiss Finance & Investment Limited	-	0.02
	Ecap Equities Limited	-	0.01
	Edelweiss Insurance Brokers Limited*	-	0.01
	Edelweiss Housing Finance Limited*	-	0.01
Sale of commodities to	EC Commodity Limited	1,606.87	2,567.43
	Ecap Equities Limited	284.56	-
Sale of fixed assets to	Edelweiss Broking Limited	-	0.98
	Edelweiss Custodial Services Limited	-	0.45
Purchase/subscription of debentures from	ECL Finance Limited	26,356.82	7,605.87
	Edelweiss Asset Reconstruction Company Limited	1,462.00	3,511.00
	Ecap Equities Limited	7,584.79	1,203.93
	Edelweiss Finance and Investments Limited	249.79	653.16
	Edelweiss Finvest Private Limited	1,028.03	-
	Edelweiss Broking Limited	-	246.84
Sale/redemption of debentures to	ECL Finance Limited	20,432.53	13,855.35
	Ecap Equities Limited	2,949.81	9,544.31
	Edelweiss Finance & Investments Limited	1,132.24	4,227.34
	Edelweiss Finvest Private Limited	1,163.28	2,501.53
	Edelweiss Asset Reconstruction Company Limited	376.30	127.42
	Edelweiss Broking Limited	10.98	400.96
	Edelweiss General Insurance Limited	31.75	116.24
	Edelweiss Retail Finance Limited	2,100.04	-
	Edelweiss Securities Limited	33.02	146.23
	Edelweiss Tokio life Insurance Company Limited.	-	747.65
Interest received on debentures	ECL Finance Limited	5.79	0.92
	Edelweiss Asset Reconstruction Company Limited	62.03	483.36
	Edelweiss Housing Finance Limited	0.05	-
	Edelweiss Retail Finance Limited	1.82	-
Purchase/subscription of commercial paper from	Ecap Equities Limited	12,617.31	34,396.42
	ECL Finance Limited	-	14,970.12
	Edelweiss Securities Limited	-	14,920.45
Sale/redemption of commercial paper to	Ecap Equities Limited	-	42,829.35
	ECL Finance Limited	49.55	4,997.23
Sale/redemption of certificate of deposit to	Ecap Equities Limited	49.59	2,737.24
Purchase / Subscription of certificate of deposit from	Ecap Equities Limited	765.97	2,279.71
Sale/redemption of preference shares to	ECL Finance Limited	-	414.63
	Edelweiss Broking Limited	-	83.25



**Edelweiss Rural Corporate Services Limited**  
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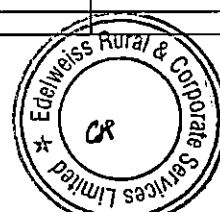
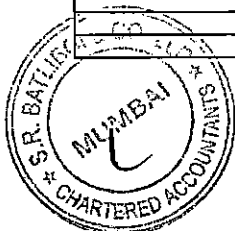
Note to financials statements (Continued)

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

**(H) Transactions and balances with related parties:**

Particulars	Name of related parties	2018-2019	2017-2018
	Edelweiss Finance & Investments Limited	-	35.04
Purchase / Subscription of pref.Shares from	Edelweiss Finvest Private Limited	-	83.82
	Edelweiss Finance & Investments Limited	-	4.03
	ECL Finance Limited	-	-
Reimbursements paid to	Edelweiss Insurance Brokers Limited	-	79.95
	Edelweiss Multi Strategy Fund Advisors LLP	-	79.59
	ECL Finance Limited	0.14	26.89
	Edelweiss Financial Services Limited	49.01	1.38
	ECap Equities Limited	0.74	4.53
	Edelweiss Multi Strategy Funds Management Pvt Ltd	-	35.91
	Edelweiss Asset Reconstruction Company Limited	-	35.89
	Edelweiss Comtrade Limited	-	31.19
	Edelweiss Investment Adviser Limited	-	16.31
	Edelweiss Finvest Private Limited	-	9.51
	Edel Investments Limited	0.21	5.68
	Edelweiss Retail Finance Limited	1.33	3.88
	Edelgive Foundation	-	3.58
	Edelweiss Finance And Investments Limited	0.02	1.62
	Edelweiss Holdings Limited	-	1.36
	Alternative Investment Market Advisors Private Limited	-	0.84
	Edelweiss Securities Limited	3.36	0.42
	Edel Finance Company Limited	-	0.42
	Edelweiss Trustee Services Limited	-	0.36
	Edelweiss Trusteeship Company Limited	-	0.31
	Edel Land Limited	0.11	0.27
	Edelweiss Broking Limited	5.67	0.24
	Edelweiss General Insurance Company Limited	-	0.10
	Edelweiss Securities (Ifsc) Limited	-	0.07
	Edelweiss Global Wealth Management Limited	0.01	0.05
	Edelweiss Securities Limited	-	0.05
	Edelweiss Custodial Services Limited	0.25	0.04
	EC Commodity Limited*	0.01	0.01
	Edelweiss Asset Management Limited*	1.42	0.01
	Edelcap Securities Limited*	0.14	0.01
	Edelweiss Tokio Life Insurance Company Limited*	-	0.01
	Edelweiss Alternative Asset Advisors Limited*	0.85	0.01
	Edelweiss Housing Finance Limited	0.05	17.46
	Edelweiss Wealth Advisors LLP	-	23.06
	Allium Finance Private Limited	-	1.96
Reimbursement recovered from	Edelweiss Multi Strategy Fund Advisors LLP	-	78.36
	Edelweiss Insurance Brokers Limited	0.02	84.30
	ECL Finance Limited	16.91	26.89
	Edelweiss Financial Services Limited	10.29	2.88
	ECap Equities Limited	0.08	4.50
	Edelweiss Securities Limited	7.53	0.42
	Edelweiss Multi Strategy Funds Management Pvt Ltd	0.08	37.34
	Edelweiss Asset Reconstruction Company Limited	-	35.89
	Edelweiss Comtrade Limited	0.34	31.19
	Edelweiss Investment Adviser Limited	-	16.31
	Edelweiss Finvest Private Limited	0.30	9.51
	Edel Investments Limited	0.17	5.68
	Edelweiss Retail Finance Limited	0.13	3.88
	EdelGive Foundation	0.03	3.56
	Edelweiss Holdings Limited	-	1.36
	Edelweiss Finance and Investments Limited	1.00	0.88
	Alternative Investment Market Advisors Private Limited	0.02	0.84
	Edel Finance Company Limited	0.01	0.42
	Edelweiss Trustee Services Limited	-	0.36
	Edelweiss Trusteeship Company Limited	-	0.31
	Edelweiss Broking Limited	4.86	0.24
	Edelweiss General Insurance Company Limited	0.15	0.10
	Edelweiss Securities (IFSC) Limited*	0.01	0.07
	Edelweiss Global Wealth Management Limited	0.64	0.05
	Edelweiss Custodial Services Limited	1.47	0.04
	EC Commodity Limited*	0.24	0.01
	Edelweiss Asset Management Limited*	0.20	0.01
	Edelweiss Alternative Asset Advisors Limited*	3.29	0.01
	Edelcap Securities Limited	1.33	-
	Edelweiss Housing Finance Limited	1.14	17.46



**Edelweiss Rural Corporate Services Limited**  
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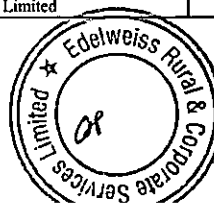
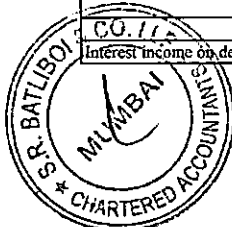
**Note to financials statements (Continued)**

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

**(H) Transactions and balances with related parties:**

Particulars	Name of related parties	2018-2019	2017-2018
	Edelweiss Tokio Life Insurance Company Limited	0.15	-
	Edel Land Limited	0.10	-
	Lichen Metals Private Limited	0.02	-
	Allium Finance Private Limited*	0.01	1.84
	Edelweiss Wealth Advisors LLP	-	23.06
Remuneration paid to	Rujan Panjwani	60.22	60.22
	Santosh Dadheech	25.00	26.72
Director Sitting Fees	Kunnasagaran Chinniah	0.34	0.42
	Vinod Juneja	0.46	0.12
	Uday Shankar Dutt	-	0.22
	P. N. Venkatachalam	-	0.22
		-	-
Income			
Business support service charges from	ECL Finance Limited	341.67	107.17
	Edelweiss Broking Limited	243.76	163.54
	Edelweiss Securities Limited	108.72	65.34
	Edelweiss Housing Finance Limited	94.70	68.12
	Edelweiss Retail Finance Limited	69.58	42.43
	Edelweiss Custodial Services Limited	67.51	34.90
	ECap Equities Limited	62.82	26.63
	Edelweiss Asset Reconstruction Company Limited	62.02	66.42
	Edelweiss Finvest Private Limited	53.33	16.14
	Edelweiss Financial Services Limited	52.77	29.07
	Edelweiss Global Wealth Management Limited	49.86	41.24
	Edelweiss Alternative Asset Advisors Limited	38.49	23.89
	Edelweiss General Insurance Company Limited	36.53	5.16
	Edelweiss Asset Management Limited	33.37	31.65
	Edelcap Securities Limited	32.94	23.53
	Edelweiss Finance and Investments Limited	27.43	29.37
	Edelweiss Comtrade Limited	25.55	16.55
	Edel Investments Limited	16.73	11.24
	Edelweiss Insurance Brokers Limited	14.87	26.56
	Edelweiss Investment Adviser Limited	14.42	12.27
	EC Global Limited	5.94	6.64
	Edelweiss International (Singapore) Pte. Limited	5.57	-
	EC Commodity Limited	5.07	6.36
	Edel Land Limited	5.07	0.81
	Dahlia Financial Services Pvt. Limited	4.93	-
	Magnolia Financial Services Pvt. Limited	4.89	-
	Allium Finance Private Limited	2.78	-
	Edelweiss Alternative Asset Advisors Pte. Limited	2.58	1.48
	EFSL International limited	1.42	1.97
	Edelweiss Multi Strategy Fund Advisors LLP	1.39	2.85
	Edelweiss Investment Advisors Pte. Limited	1.36	1.49
	Alternative Investment Market Advisors Private Limited	1.20	0.38
	Edelweiss Securities (IFSC) Limited	1.02	0.81
	EC International Limited	0.74	0.40
	Edel Finance Company Limited	0.55	0.04
	Edelweiss Trustee Services Limited	0.36	0.78
	Edelweiss Capital (Singapore) Pte. Limited	0.33	-
	Aster Commodities DMCC	0.28	3.03
	Edelweiss Securities (Hong Kong) Private Limited	0.10	0.14
	Edelweiss Holdings Limited	0.06	0.04
	Edelweiss Multi Strategy Funds Management Pvt Limited	-	-
	Edelweiss Wealth Advisors LLP	-	0.57
	Edelweiss Trusteeship Company Limited	-	0.05
	Edelweiss Commodities Pte Limited	-	0.05
Web-based service charges from	Edelweiss Broking Limited	43.13	97.85
	Edelweiss Comtrade Limited	5.65	3.93
Collateral management fees received from	ECL Finance Limited	16.67	0.99
Dividend income on investment	ECap Equities Limited	1.26	-
	Edelweiss Securities Limited	0.18	-
Interest income on debentures from	Edelweiss Asset Reconstruction Company Limited	1,204.35	778.74



**Edelweiss Rural Corporate Services Limited**  
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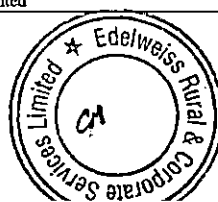
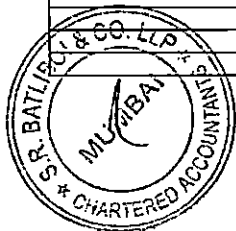
Note to financials statements (Continued)

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

**(H) Transactions and balances with related parties:**

Particulars	Name of related parties	2018-2019	2017-2018
	ECL Finance Limited	-	23.56
	Edelweiss Housing Finance Limited	-	9.75
	Edelweiss Retail Finance Limited	91.13	31.23
Interest income on Commercial paper from	Edelweiss Securities Limited	-	30.26
	ECL Finance Limited	-	29.53
	Edelweiss Financial Services Limited	-	14.81
Interest income on Nifty Linked Debentures	ECL Finance Limited	10.49	-
	Edelweiss Finvest Private Limited	13.94	-
	ECap Equities Limited	746.04	-
Interest income on loan from	ECL Finance Limited	1,539.93	1,304.69
	Edelweiss Asset Reconstruction Company Limited	814.00	1,431.76
	ECap Equities Limited	554.30	1,565.14
	Edelweiss Finvest Private Limited	448.96	161.10
	Edelweiss Investment Adviser Limited	437.69	441.28
	Edelweiss Broking Limited	392.36	321.23
	Edelweiss Securities Limited	303.61	608.65
	Edelcap Securities Limited	253.14	270.71
	Magnolia Financial Services Pvt. Limited	160.81	-
	Edelweiss Financial Services Limited	142.77	213.26
	Edelweiss Housing Finance Limited	121.71	145.42
	Edelweiss Alternative Asset Advisors Limited	97.61	66.31
	Edel Investments Limited	95.53	113.52
	Edelweiss Global Wealth Management Limited	94.65	24.11
	Edelweiss Retail Finance Limited	52.65	301.98
	Edelweiss Finance and Investments Limited	46.95	188.12
	Edel Land Limited	39.99	41.08
	Edelweiss Asset Management Limited	37.03	11.50
	Edelweiss Custodial Services Limited	23.79	52.47
	Dahlia Financial Services Private Limited	22.69	37.30
	Edelweiss Comtrade Limited	21.34	20.88
	EC Commodity Limited	13.55	48.26
	Edelweiss Multi Strategy Fund Advisors LLP	1.42	-
	Lichen Metals Private Limited	0.47	10.94
	Edelweiss Multi Strategy Funds Management Private Limited	0.16	55.31
	Edelweiss Trustee Services Limited	0.10	-
	Edel Finance Company Limited*	0.01	-
	Edelweiss Wealth Advisors LLP	-	1.43
Interest income on intercorporate deposits	Edelweiss Asset Reconstruction Company Limited	513.86	122.62
	EW Clover Scheme1	16.07	82.63
	Magnolia Financial Services Private. Limited	54.25	180.22
	Dahlia Financial Services Pvt. Limited	13.86	104.29
Interest income on margin placed with	Edelweiss Custodial Services Limited	25.52	14.26
	Edelweiss Securities Limited	0.05	0.30
	EC Commodity Limited	-	0.12
Share of Profit in LLP	Edelweiss Wealth Advisors LLP	-	29.38
	Edelweiss Multi Strategy Funds Management Pvt Limited	0.76	-
	Edelweiss Multi Strategy Fund Advisors LLP*	0.01	0.01
Share of loss in LLP	Edelweiss Wealth Advisors LLP	0.03	-
Rental income from	ECL Finance Limited	91.26	90.98
	Edelweiss Financial Services Limited	60.90	60.35
	Edelweiss Securities Limited	38.87	49.06
	Edelweiss Broking Limited	35.25	13.06
	Edelweiss Alternative Asset Advisors Limited	33.42	19.53
	Edelweiss Asset Reconstruction Company Limited	26.40	27.07
	Edelweiss Custodial Services Limited	11.19	4.42
	Edelweiss Housing Finance Limited	10.95	7.69
	Edelweiss Global Wealth Management Limited	6.85	12.87
	Edelweiss Finance and Investments Limited	6.74	12.28
	Edelcap Securities Limited	6.43	4.69
	ECap Equities Limited	4.18	2.87
	Edelweiss Finvest Private Limited	2.81	0.27
	EC Commodity Limited	1.52	3.40
	Edel Investments Limited	1.43	1.36
	Edelweiss Asset Management Limited	1.43	9.95



**Edelweiss Rural Corporate Services Limited**  
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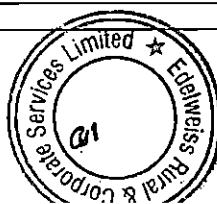
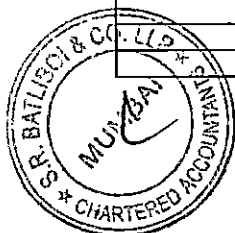
**Note to financials statements (Continued)**

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

**(H) Transactions and balances with related parties:**

Particulars	Name of related parties	2018-2019	2017-2018
	Edelweiss General Insurance Company Limited	1.38	11.10
	Edelweiss Retail Finance Limited	1.37	3.31
	Edelweiss Comtrade Limited	1.21	1.80
	Edelweiss Tokio Life Insurance Company Limited	1.04	3.01
	Edel Land Limited	0.58	0.40
	EdelGive Foundation	0.39	0.06
	Edelweiss Multi Strategy Funds Management Private Limited	0.38	4.86
	Edel Finance Company Limited	0.20	-
	Lichen Metals Private Limited	0.15	0.16
	Alternative Investment Market Advisors Private Limited	0.11	-
	Allium Finance Private Limited	0.09	0.02
	Edelweiss Insurance Brokers Limited	0.03	0.32
	Edelweiss Securities (IFSC) Limited*	0.01	0.08
	Edelweiss Investment Adviser Limited	-	1.23
	Edelweiss Alternative Asset Advisors Pte. Limited	-	0.21
	Edelweiss Multi Strategy Fund Advisors LLP	-	4.30
Investment management support service from	EFSL International limited	26.12	100.66
	EC Global Limited	26.06	-
	Edelweiss International (Singapore) Pte. Limited	0.18	-
Other income from	Edelweiss International (Singapore) Pte. Limited.	3.46	3.25
	EC Global Limited	3.46	3.25
	Aster Commodities DMCC	-	1.15
Cost reimbursements recovered from	ECL Finance Limited	16.77	16.89
	Edelweiss Financial Services Limited	6.45	31.81
	Edelweiss Securities Limited	6.07	12.38
	Edelweiss Broking Limited	3.89	2.72
	Edelweiss Alternative Asset Advisors Limited	3.29	2.77
	Edelweiss Custodial Services Limited	1.47	1.58
	Edelcap Securities Limited	1.26	5.75
	Edelweiss Housing Finance Limited	1.10	1.06
	Edelweiss Finance and Investments Limited	0.99	1.79
	Edelweiss Global Wealth Management Limited	0.64	1.56
	Edelweiss Comtrade Limited	0.34	0.55
	Arum Investments Private Limited	0.30	-
	EC Commodity Limited	0.24	0.54
	Edel Investments Limited	0.17	0.16
	Edelweiss General Insurance Company Limited	0.15	1.25
	Edelweiss Tokio Life Insurance Company Limited	0.15	0.45
	Edel Land Limited	0.10	0.11
	Edelweiss Multi Strategy Funds Management Private Limited	0.08	0.62
	EdelGive Foundation*	0.03	0.01
	Lichen Metals Private Limited	0.02	-
	Alternative Investment Market Advisors Private Limited	0.02	-
	Edelweiss Insurance Brokers Limited	0.02	0.11
	Edel Finance Company Limited	0.01	-
	Allium Finance Private Limited*	0.01	0.01
	Edelweiss Securities (IFSC) Limited*	0.01	0.01
	ECap Equities Limited	-	1.44
	Edelweiss Asset Management Limited	-	1.27
	Edelweiss Multi Strategy Fund Advisors LLP	-	0.51
	Edelweiss Retail Finance Limited	-	0.38
	Edelweiss Capital Markets Limited	-	0.20
	Edelweiss Investment Adviser Limited	-	0.15
	Edelweiss Finvest Private Limited	-	0.13
	Edelweiss Alternative Asset Advisors Pte. Limited	-	0.02
Other reimbursement received from	Edelweiss Broking Limited	-	28.05
	ECL Finance Limited	-	27.10
	Edelweiss Securities Limited	-	19.38
	Edelweiss Financial Services Limited	-	11.45
	Edelweiss Housing Finance Limited	-	9.98
	Edelweiss Global Wealth Management Limited	-	7.60
	Edelweiss Alternative Asset Advisors Limited	-	7.01
	Edelweiss Retail Finance Limited	-	6.11
	Edelweiss Asset Management Limited	-	4.08
	Edelweiss Multi Strategy Fund Advisors LLP	-	3.99
	Edelweiss Asset Reconstruction Company Limited	-	3.81
	Edelcap Securities Limited	-	3.76





**Edelweiss Rural Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

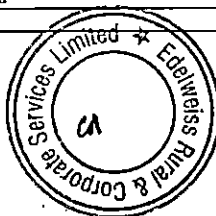
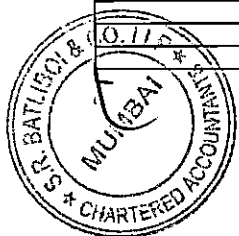
**Note to financials statements (Continued)**

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

**(II) Transactions and balances with related parties:**

Particulars	Name of related parties	2018-2019	2017-2018
	Edelweiss Insurance Brokers Limited	-	3.67
	Edelweiss Finance and Investments Limited	-	2.91
	Edelweiss Comtrade Limited	-	2.21
	ECap Equities Limited	-	2.06
	Edelweiss Investment Advisors Limited	-	1.75
	Edelweiss Custodial Services Limited	-	1.75
	Edelweiss General Insurance Company Limited	-	1.59
	Edelweiss Multi Strategy Funds Management Private Limited	-	1.19
	Alternative Investment Market Advisors Private Limited	-	0.58
	Edel Investments Limited	-	0.51
	EC Commodity Limited	-	0.42
	Edelweiss Securities (IFSC) Limited	-	0.23
	Edelweiss Finvest Private Limited	-	0.22
	Edel Land Limited	-	0.05
	Edel Finance Company Limited	-	0.04
	Edelweiss Trustee Services Limited	-	0.03
<b>Expenses</b>			
Clearing expenses to	Edelweiss Custodial Services Limited	0.21	0.50
	Edelweiss Securities Limited	-	0.46
Contribution towards corporate social responsibilities	Edelgive Foundation	6.20	5.68
Cost reimbursement to	Edelweiss Financial Services Limited	45.17	7.44
	ECap Equities Limited	27.88	28.10
	Edelweiss Broking Limited	4.68	2.98
	Edelweiss Securities Limited	1.90	8.40
	Edelweiss Asset Management Limited	1.21	0.33
	Edelweiss Retail Finance Limited*	1.20	0.01
	Edelweiss Alternative Asset Advisors Limited*	0.85	0.01
	Edelweiss Custodial Services Limited	0.25	0.04
	Edel Investments Limited	0.21	-
	Edel Land Limited	0.11	-
	Edelcap Securities Limited	0.06	0.93
	Edelweiss Finance and Investments Limited	0.02	-
	Edelweiss Global Wealth Management Limited	0.01	0.03
	EC Commodity Limited*	0.01	-
	ECL Finance Limited*	0.01	0.11
	Edelweiss Asset Reconstruction Company Limited	-	0.04
	Edelweiss Finvest Private Limited*	-	0.01
Legal & Professional charges paid to	Edelweiss Alternative Asset Advisors Limited	57.35	48.60
Interest expenses on loans from	ECap Equities Limited	322.48	23.65
	Arum Investments Private Limited	40.97	-
	Edelweiss Financial Services Limited	30.07	513.64
	Edel Finance Company Limited	13.55	-
	ECL Finance Limited	9.45	44.35
	Lichen Metals Private Limited	6.75	0.20
	Edelweiss Insurance Brokers Limited	6.43	9.69
	Edel Investments Limited	1.12	-
	Allium Finance Private Limited	1.10	-
	Alternative Investment Market Advisors Private Limited	0.93	-
	Edelweiss Trustee Services Limited	0.81	1.32
	EC Commodity Limited	0.32	-
	Edelweiss Finvest Private Limited	-	171.20
	Edelweiss Wealth Advisors LLP	-	0.79
Interest expenses on debentures	ECap Equities Limited	19.97	-
	ECL Finance Limited	15.37	-
Rating fees to and Bank guarantee commission	Edelweiss Financial Services Limited	58.39	166.05
Other reimbursement paid to	Edelweiss Securities Limited	-	0.06
	Edelweiss Housing Finance Limited	-	0.04
	Edelweiss Alternative Asset Advisors Limited	-	0.02
	ECL Finance Limited	-	0.01



**Edelweiss Rural Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

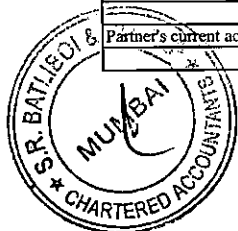
Note to financials statements (Continued)

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

(H) Transactions and balances with related parties:

Particulars	Name of related parties	2018-2019	2017-2018
<b>Balances with related parties as on 31 March 2019 - (Assets)</b>			
Accrued interest income on loans given to	Edelweiss Investment Advisors Limited	241.48	0.46
	Edelweiss Securities Limited	36.13	4.77
	Edelweiss Broking Limited	27.60	27.80
	Edelweiss Financial Services Limited	24.61	-
	Edelweiss Alternative Asset Advisors Limited	9.86	3.74
	Edelweiss Global Wealth Management Limited	8.11	0.81
	Edel Investments Limited	7.64	1.09
	ECL Finance Limited	4.45	-
	Edelweiss Custodial Services Limited	1.24	2.55
	Edelweiss Finance and Investments Limited	1.14	-
	Edelweiss Retail Finance Limited	0.79	-
	Edelweiss Comtrade Limited	0.60	1.02
	Edelweiss Multi Strategy Fund Advisors LLP	0.57	-
	Edelweiss Housing Finance Limited	0.54	-
	Dahlia Financial Services Pvt. Limited	0.48	-
	ECap Equities Limited	0.25	59.30
	EC Commodity Limited	0.21	4.48
	Edelweiss Multi Strategy Funds Management Private Limited	0.16	3.38
	Magnolia Financial Services Pvt. Limited	0.12	-
	Edelweiss Asset Management Limited	0.09	0.56
	Lichen Metals Private Limited	0.06	-
	Edelweiss Trustee Services Limited	0.01	-
	Arum Investments Private Limited	0.01	-
	Edel Land Limited*	0.01	-
	Edelcap Securities Limited*	0.01	33.43
Interest receivable on debentures from	Edelweiss Retail Finance Limited	1.82	24.07
	Edelweiss Asset Reconstruction Company Limited	154.51	2.59
	ECL Finance Limited	42.38	-
	Edelweiss Housing Finance Limited	0.18	-
Inter-corporate deposits placed with	Edelweiss Asset Reconstruction Company Limited	3,600.00	3,600.00
Advance recoverable in cash or in kind	Edelweiss Global Wealth Management Limited	-	0.30
	Edelweiss Tokio Life Insurance Company Limited	1.31	-
	Edelweiss Securities Limited	0.63	-
	Edelweiss Finvest Private Limited	0.52	-
	Edelweiss Custodial Services Limited	0.44	-
	ECL Finance Limited	0.26	-
	Edelcap Securities Limited*	0.15	0.01
	Edelweiss International (Singapore) Pte. Limited	0.08	-
	EC Commodity Limited*	0.06	0.01
	Edelweiss Comtrade Limited	0.06	-
	Edelweiss Finance & Investments Limited	0.05	0.01
	Ecap Equities Limited	0.05	-
	Edelcap Securities Limited	0.02	-
	Ecap Equities Limited	0.01	-
	Edel Investments Limited*	0.01	-
Advance towards sales consideration	Edelweiss Commodities Pte Limited	-	0.19
Investment in Partnership Firm	Edelweiss Wealth Advisors LLP	1.96	0.60
Investments in equity shares in	ECL Finance Limited	3,862.84	3,862.84
	Edelweiss Housing Finance Limited	2,829.00	2,829.00
	Edelweiss Asset Reconstruction Company Limited	446.43	446.43
	Edelweiss Comtrade Limited	38.86	-
	EC Commodity Limited	501.43	-
	Edelweiss Finvest Private Limited	188.37	188.37
	Lichen Metals Private Limited	2.69	2.69
	Allium Finance Private Limited	648.45	21.18
Investment in others	Edelweiss Value and Growth Fund	385.07	262.48
	Edelweiss Private Equity Tech Fund	120.62	85.34
	EW Clower Scheme -I	156.45	156.45
Partner's current account - receivable from	Edelweiss Wealth Advisors LLP	1.05	1.05
	Edelweiss Multi Strategy Fund Advisors LLP*	-	0.01



**Edelweiss Rural Corporate Services Limited**  
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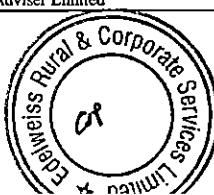
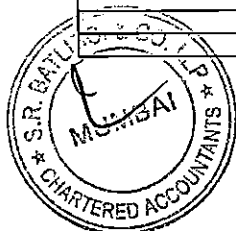
Note to financials statements (Continued)

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

**(H) Transactions and balances with related parties:**

Particulars	Name of related parties	2018-2019	2017-2018
Payment by Partnership firm through current account	Edelweiss Wealth Advisors LLP	0.52	23.74
Repatriation of surplus fund on winding up	Edelweiss Commodities Pte Limited	-	457.28
	Edelweiss Tarim Urunleri Anonim Sirketi	-	2.12
Margin on trading of securities (net)			
Margin receivable from	Edelweiss Custodial Services Limited	82.67	434.00
	Edelweiss Securities Limited	0.35	1.52
Trade receivables from	ECL Finance Limited	165.58	103.60
	Edelweiss Broking Limited	115.66	128.04
	Edelweiss Securities Limited	108.52	46.84
	ECap Equities Limited	58.57	5.48
	Edelweiss Housing Finance Limited	52.59	41.54
	EC Global Limited	37.75	6.12
	Edelweiss Asset Reconstruction Company Limited	35.24	42.18
	Edelweiss Custodial Services Limited	35.08	23.08
	Edelweiss Finvest Private Limited	29.72	8.59
	Edelweiss General Insurance Company Limited	19.32	8.18
	Edelweiss Global Wealth Management Limited	18.48	23.83
	Edelweiss Retail Finance Limited	18.38	24.57
	Edelcap Securities Limited	15.24	15.88
	Edelweiss Finance and Investments Limited	14.67	14.61
	Edelweiss Asset Management Limited	13.39	13.45
	Edelweiss Comtrade Limited	13.21	10.02
	Edelweiss International (Singapore) Pte. Limited	7.25	7.16
	Edelweiss Insurance Brokers Limited	6.92	13.95
	Edel Investments Limited	6.07	6.12
	Edelweiss Investment Adviser Limited	5.13	6.06
	EC Commodity Limited	2.50	2.91
	Edelweiss Multi Strategy Fund Advisors LLP	2.14	1.98
	Dahlia Financial Services Pvt. Limited	1.94	-
	Magnolia Financial Services Pvt. Limited	1.84	-
	Edel Land Limited	1.82	0.86
	Edelweiss Alternative Asset Advisors Pte. Limited	1.71	0.81
	Allium Finance Private Limited	1.53	0.11
	Alternative Investment Market Advisors Private Limited	0.90	0.34
	Edelweiss Investment Advisors Pte. Limited	0.57	0.74
	Edel Finance Company Limited	0.45	0.02
	Edelweiss Securities (IFSC) Limited	0.39	0.60
	Edel Land Limited-Fountain Head	0.33	-
	EC International Limited	0.29	0.17
	Edelweiss Capital (Singapore) Pte. Limited	0.16	-
	EdelGive Foundation	0.14	0.09
	Edelweiss Trustee Services Limited	0.14	0.26
	Aster Commodities DMCC	0.13	0.37
	Lichen Metals Private Limited	0.06	-
	Edelweiss Securities (Hong Kong) Private Limited	0.04	0.08
	Edelweiss Holdings Limited	0.02	0.02
	Edelweiss Wealth Advisors LLP*	0.01	0.26
	Edelweiss Tokio Life Insurance Company Limited	-	4.05
	Edelweiss Alternative Asset Advisors Limited	-	10.81
	Edelweiss Financial Services Limited	-	14.52
	EFSL International Limited	-	101.66
	Edelweiss Multi Strategy Funds Management Private Limited	-	2.73
Other receivables from	Edelweiss Securities Limited	-	7.14
	ECL Finance Limited	-	5.44
	ECap Equities Limited	-	2.05
	Edelweiss Comtrade Limited	-	1.22
	Edelweiss Global Wealth Management Limited	-	1.17
	EC Commodity Limited	-	0.94
	Edelweiss Finance & Investments Limited	-	0.83
	Edelweiss Broking Limited	-	0.80
	Edelcap Securities Limited	-	0.63
	Edelweiss Alternative Asset Advisors Limited	-	0.46
	Edelweiss Housing Finance Limited	-	0.45
	Edelweiss Insurance Brokers Limited	-	0.43
	Edelweiss Asset Management Limited	-	0.33
	Edelweiss Investment Adviser Limited	-	0.26



**Edelweiss Rural Corporate Services Limited**  
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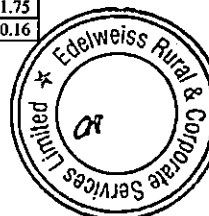
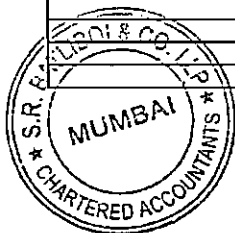
Note to financials statements (Continued)

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

**(H) Transactions and balances with related parties:**

Particulars	Name of related parties	2018-2019	2017-2018
	Edel Finance Company Limited	-	0.15
	Edelweiss Tokio Life Insurance Company Limited	-	0.15
	Edelweiss Financial Services Limited	-	0.09
	Edelweiss Asset Reconstruction Company Limited*	-	0.01
Long term loans given to	Edelweiss Asset Reconstruction Company Limited	-	4,870.00
Short term loans and advances given to	Edelweiss Investment Adviser Limited	5,714.60	436.42
	Edelweiss Financial Services Limited	3,636.36	-
	Edelweiss Securities Limited	2,027.79	1,087.52
	Edelweiss Global Wealth Management Limited	1,595.26	397.85
	Edelweiss Alternative Asset Advisors Limited	1,339.84	956.17
	ECL Finance Limited	1,010.91	12,124.88
	Edelweiss Finance and Investments Limited	480.22	169.17
	Edelweiss Broking Limited	465.21	6,338.43
	ECap Equities Limited	210.62	2,620.56
	Edel Investments Limited	194.74	160.02
	Edelweiss Comtrade Limited	106.89	220.64
	Edelweiss Multi Strategy Fund Advisors LLP	78.93	-
	Edelweiss Asset Management Limited	35.41	4.37
	Dahlia Financial Services Private Limited	34.99	-
	Lichen Metals Private Limited	20.79	-
	Edelweiss Multi Strategy Funds Management Private Limited	19.99	715.48
	Edelweiss Custodial Services Limited	2.93	303.92
	Edel Land Limited	0.86	534.19
	Edelweiss Housing Finance Limited	0.53	195.61
	Edelweiss Retail Finance Limited	0.52	1,274.98
	Edelcap Securities Limited	0.51	1,473.30
	Magnolia Financial Services Private Limited	0.27	-
	EC Commodity Limited	0.23	1,370.49
	Edelweiss Trustee Services Limited	0.13	-
	Edelweiss Finvest Private Limited	-	7,761.96
Redemption of Nifty Linked Debentures	ECL Finance Limited	14.69	-
	ECap Equities Limited	984.14	-
	Edelweiss Finvest Pvt Limited	19.44	-
Balances with related parties as on 31 March 2019 - (Liabilities)			
Dividend payable to	ECL Finance Limited	0.70	0.70
	Edelweiss Securities Limited	0.70	0.70
Subordinated Preference Shares	ECL Finance Limited	710.25	649.93
	Edelweiss Securities Limited	710.25	649.93
Accrued interest expense on loans taken from	ECap Equities Limited	81.52	29.15
	Edelweiss Finvest Private Limited	17.57	-
	ECL Finance Limited	1.04	-
	Lichen Metals Private Limited	1.04	-
	Allium Finance Private Limited	0.99	-
	Alternative Investment Market Advisors Private Limited	0.42	-
	Edelweiss Financial Services Limited	0.27	-
	Edel Finance Company Limited	0.12	-
	Edelweiss Insurance Brokers Limited	0.12	0.56
	Edelweiss Trustee Services Limited*	0.01	-
	Edel Investments Limited*	0.01	-
	EC Commodity Limited*	0.01	-
Non convertible debentures held by	ECap Equities Limited	-	200.00
Rental deposits payable to	Edelweiss Asset Reconstruction Company Limited	50.00	50.00
Trade payables to	Edelweiss Alternative Asset Advisors Limited	34.04	50.69
	Edelweiss Financial Services Limited	24.42	166.65
	Edelweiss Multi Strategy Funds Management Pvt Limited	2.34	1.59
	Edelweiss Tokio Life Insurance Company Limited	0.25	-
	ECap Equities Limited	-	1.39
	Edelweiss Finance and Investments Limited	-	2.08
	Edelweiss Asset Management Limited	-	1.48
	Arum Investments Private Limited	-	1.75
	Edelweiss Investment Advisers Limited	-	0.16



**Edelweiss Rural Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

**Note to financials statements (Continued)**

(Currency : Rupees in millions)

**39 Related Parties (Continued)**

**(H) Transactions and balances with related parties:**

Particulars	Name of related parties	2018-2019	2017-2018
	Edelweiss Securities Limited	-	1.74
	Edelcap Securities Limited	-	0.75
	Edelweiss Broking Limited	-	0.58
	Edelweiss Housing Finance Limited	-	0.07
	Edelweiss Custodial Services Limited	-	0.04
	Edelweiss Asset Reconstruction Company Limited	-	0.04
	Edelweiss Retail Finance Limited	-	0.03
	ECL Finance Limited*	-	0.01
	Edelweiss Global Wealth Management Limited*	-	0.01
Short term loans taken from	Edelweiss Financial Services Limited	-	829.39
	Allium Finance Private Limited	731.70	-
	Edelweiss Finvest Private Limited	203.61	-
	Alternative Investment Market Advisors Private Limited	50.00	4.50
	Edel Finance Company Limited	18.37	-
	Edelweiss Insurance Brokers Limited	9.69	127.00
	Edelweiss Trustee Services Limited	1.18	-
	Edel Investments Limited	0.67	-
	Lichen Metals Private Limited	-	10.20
Non convertible debentures outstanding	ECL Finance Limited	-	928.35
Off balance sheet item			
Corporate guarantee given for	Edelweiss Housing Finance Limited	3,106.17	1,154.70
Corporate guarantee given by	Edelweiss Financial Services Limited	13,871.70	17,719.76

\* amount is less than Rs. 0.01 million

**Note:**

- (1) Previous year's figures have been restated where necessary.
- (2) The Intra group Company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties and margin money placed/refund received with/from related parties are disclosed based on the maximum incremental amount given/taken and placed/refund received during the reporting period.
- (3) Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.
- (4) Loan given to subsidiaries and fellow subsidiaries are for the general corporate business.
- (5) Remuneration to KMP's shall be within the limit as prescribed by the Companies act.



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

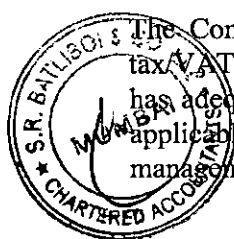
**40 Investments in partnership firms:**

Name of Partnership Firm	Edelweiss Multi Strategy Fund Advisors LLP (Formerly known as Forefront Alternative Investment Advisors LLP)	
	As at 31 March 2019	As at 31 March 2018
Total capital of partnership firm	Rs. 0.10 million	Rs.0.10 million
Name of partners	Share in capital and share in profit/loss	
Edelweiss Multi Strategy Funds Management Private Limited	-	99.95%
Mr. Vishal Madia	0.01%	0.01%
Edelweiss Capital Markets Limited	-	0.01%
Edel Investments Limited	-	0.01%
Edelweiss Investment Adviser Limited	-	0.01%
Edelweiss Rural & Corporate Services Limited	99.99%	0.01%

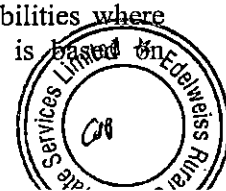
Name of Partnership Firm	Edelweiss Wealth Advisors LLP (Formerly known as Forefront Wealth Advisors LLP)	
	As at 31 March 2019	As at 31 March 2018
Total Capital of Partnership firm	Rs. 1.60 million	Rs. 1.67 million
Name of partners	Share in capital and share in profit/loss	
Edelweiss Rural & Corporate Services Limited	50.00%	34%
Edelweiss Capital Markets Limited	-	33%
ECap Equities Limited	48.52%	33%
Ram Setia	0.74%	-
Mahindra Banjger	0.74%	-

**41 Contingent liabilities (to the extent not provided for):**

(a)	Taxation matters in respect of which appeal is pending Rs. 191.90 million (Previous year: Rs. 223.66 million).
(b)	Corporate guarantee given by the Company to bank for Rs. 3,106.17 million (Previous year: Rs. 1,154.70 million) for availing Fund based Banking facilities by its subsidiary company Edelweiss Housing Finance Limited.



The Company's pending litigations comprise of proceedings pending with Income Tax, customs, sales tax/VAT and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its 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.



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

(Currency: Rupees in millions)

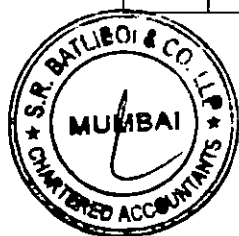
**41 Contingent liabilities (to the extent not provided for) (continued):**

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The Company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, Company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.

**42** As at 31st March 2019, the Company is holding, in various warehouses, commodities under warehousing arrangement for and on behalf of its customers/banks/financial institution. The Company undertakes periodical physical verification of such inventory. As on 31st March 2019, physical verification was carried out and there were no shortages.

**43 Encumbrances on fixed deposits held by the Company:**

i)	Fixed deposits aggregating to Rs. <b>0.88</b> millions (Previous year: Rs.5.88 millions) have been pledged with exchanges for meeting margin deposit requirements.
ii)	Fixed deposits aggregating to Rs <b>195.00</b> millions (Previous year: Rs. 195.00 millions) have been pledged with banks for securing bank overdrafts.
iii)	Fixed deposits aggregating to Rs. <b>16.10</b> millions (Previous year: Rs. 16.05 millions) have been pledged with sales tax authorities for meeting deposit requirements.
iv)	Fixed deposits aggregating to <b>22.19</b> millions (Previous year: Rs. 18.21 millions) have been pledged with banks for obtaining the bank guarantee provided to VAT authorities for meeting statutory requirements.
v)	Fixed deposits aggregating to Rs. <b>117.20</b> millions (Previous year: Rs. 16.00 millions) have been pledged with bank for obtaining the bank guarantee provided to Customs authorities for meeting statutory requirements.
vi)	Fixed deposits aggregating to <b>Rs. 47.77</b> millions (Previous year: Rs. 37.60 millions) have been pledged with bank for obtaining the bank guarantee provided to various mandis for margin and license requirements.
vii)	Fixed deposits aggregating to Rs. <b>615.37</b> millions (Previous year: Rs. 291.64 millions) have been pledged with banks for Letter of credit.



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**44 Earnings per share:**

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	Profit / (loss) after tax (as per statement of profit and loss)	1,339.34	746.10
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	29,775,368	29,775,368
	Number of Shares issued during the year	99,99,999	-
	Total number of equity shares outstanding at the end of the year	3,97,75,367	29,775,368
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	29,857,560	29,775,368
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	44.86	25.06

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

**45 Capital commitments (to the extent not provided for):**

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is **Rs. 64.09** million (Previous year: Rs.81.96 million).

**46 Operating leases:**

The Company had taken office premises on operating lease agreements. Gross rental expenses for the year ended 31 March 2019 aggregated to Rs. 623.18 million (Previous year: Rs. 735.85 million) (Refer note 37) which has been included under the head other expenses as 'Rent' in the Statement of Profit and Loss. There are future minimum lease payments for the non-cancellable operating lease as per table below.

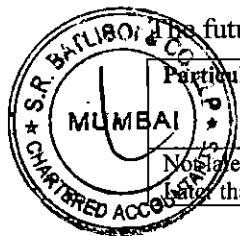
Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	8.78	26.27
Later than one year and not later than five years	4.50	13.52

The Company has given certain portion of the building on cancellable and non-cancellable operating lease for periods ranging from 12 months to 60 months, the details of which are given below:

Lease payments received and recognized in the Statement of Profit and Loss during the year ended 31 March 2019 is Rs. 382.34 million (Previous year: Rs. 425.76 million).

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Not later than one year	28.78	66.71
Later than one year and not later than five years	4.82	22.31





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

(Currency: Rupees in millions)

**47 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 - Employee Benefits:**

**a) Defined contribution plan (Provident fund and national pension scheme):**

An amount of Rs. **61.54** million (Previous year: Rs. 53.66 million) is recognized as expense and included in "Employee benefit expenses" – Note 35 in the statement of profit and loss.

**b) Defined benefit plan (Gratuity):**

The following tables summarize the components of the net 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.

*Statement of profit and loss*

Expenses recognized in the statement of profit and loss account:

	2019	2018	2017
Current service cost	13.84	0.97	2.11
Interest cost	2.52	(0.68)	(0.20)
Expected return on plan asset	-	-	-
Past service cost	-	0.65	-
Actuarial (gain) or loss recognized in the year	-	-	-
<b>Employer expense</b>	<b>16.36</b>	<b>0.94</b>	<b>1.91</b>

*Balance sheet*

Reconciliation of Defined Benefit Obligation (DBO):

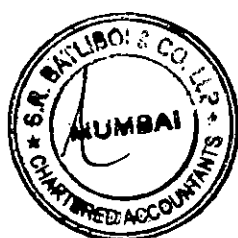
	2019	2018	2017
Present value of DBO at the beginning of the year	4.55	11.74	12.96
Acquisition/ (Divesture)	42.87	-	-
Transfer in / (out)	(0.61)	(7.76)	(3.01)
Interest cost	3.42	0.27	0.74
Current service cost	13.84	0.97	2.11
Benefits paid	(1.88)	(0.67)	(0.19)
Past service cost	-	0.65	-
Actuarial (gain)/loss on obligation	6.40	(0.65)	(0.87)
<b>Present value of DBO at the end of the year</b>	<b>68.59</b>	<b>4.55</b>	<b>11.74</b>

Reconciliation of fair value of plan assets:

	2019	2018	2017
Fair value of plan assets at the beginning of the year	14.80	14.27	12.70
Interest income on plan assets	0.90	0.95	0.93
Contributions	50.00	-	-
Benefits paid	(1.88)	(0.67)	(0.19)
Actuarial gain/(loss) on plan assets	0.14	0.25	0.83
<b>Fair value of plan assets at the end of the year</b>	<b>63.96</b>	<b>14.80</b>	<b>14.27</b>

Net (liability) / asset recognised in the balance sheet:

Particulars	2019	2018	2017	2016	2015
Present value of defined benefit obligation	68.59	4.55	11.74	21.34	11.21
Fair value of plan assets at the end of the year	63.96	14.80	14.26	12.70	7.70
<b>Amount recognized in balance sheet - asset/(liability)</b>	<b>4.63</b>	<b>(10.25)</b>	<b>(2.52)</b>	<b>8.64</b>	<b>3.51</b>



**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

**47 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 - Employee Benefits (continued):**

Experience adjustments:

Particulars	2019	2018	2017	2016	2015
On plan liabilities: (gain)/ loss	5.33	(0.53)	(1.22)	3.27	(1.23)
On plan assets: gain/ (loss)	-	-	-	(0.15)	1.04
<b>Estimated contribution for next year</b>	<b>4.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Principal actuarial assumptions at the balance sheet date:

	2019	2018	2017
Discount rate	7%	7.30%	6.80%
Salary escalation	7%	7%	7%
Employee attrition rate	13% - 25%	13% - 25%	13% - 25%
Expected return on plan assets	7.30%	6.80%	7.40%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)

Sensitivity analysis:

DBO increases / (decreases) by	March-19	March-18	March-17
Increase of 1% in Salary Growth Rate	3.71	0.22	0.59
Decrease of 1% in Salary Growth Rate	(3.43)	(0.20)	(0.58)
Increase of 1% in Discount Rate	(3.40)	(0.20)	(0.58)
Decrease of 1% in Discount Rate	3.74	0.22	0.60
Increase of 1% in Attrition Rate	(0.47)	(0.03)	(0.08)
Decrease of 1% in Attrition Rate	0.48	0.03	0.09
Mortality (Increase in expected lifetime by 1 year)	Negligible change	Negligible change	Negligible change
Mortality (Increase in expected lifetime by 3 years)	Negligible change	Negligible change	Negligible change

Percentage Break-down of Total Plan Assets:

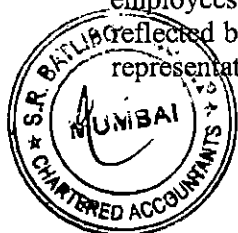
	2019	2018	2017
Insurer Managed Funds (Unit-linked)	99.90%	100%	98.70%
Cash and Bank	0.10%	0%	1.30%

**48 Employee Stock Option Plans**

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans in force. Based on such ESOP schemes, parent entity has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost. Current year release of Rs. 1.62 millions (previous year charge of Rs. 7.28 millions).

**49 Provident Fund**

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The Company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.



Edelweiss Rural & Corporate Services Limited  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

**50 Cost sharing and other recoveries:**

*Cost sharing:*

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like common senior management compensation cost, Group mediclaim, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost so expensed is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. On the same lines, costs like rent, electricity charges incurred by the Company for the benefit of fellow subsidiaries and associate companies are recovered as reimbursement by the Company from the subsidiaries and associate companies on similar basis. Accordingly, and as identified by the management, the expenditure heads in note 35 and 37 include reimbursements paid and are net of the reimbursements received based on the management's best estimate.

*Other recoveries:*

The income in note 33 relates to amount recovered from the holding company, subsidiaries, fellow subsidiaries and other external parties for occupying office premises in the Company's building.

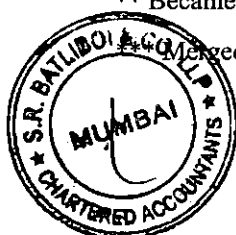
**51 Disclosure of loans and advances pursuant to regulation 53(f) of the Securities and Exchange Board of India (SEBI) (Listing obligations and disclosure requirements) Regulations, 2015:**

Particulars	31 March 2019		31 March 2018	
	Amount outstanding	Maximum Amount o/s during the year	Amount outstanding	Maximum Amount o/s during the year
<b>Short term loans-Subsidiary</b>				
EC Commodity Limited **	0.23	1,816.85	137.05	333.90
Edel Commodities Limited ***	-	-	5,093.43	9,936.45
EFSL Trading Limited ***	-	-	197.29	3,707.15
EFSL Comtrade Limited *	-	19,976.96	1,927.03	9,177.60
Edelweiss Capital Markets Limited *	-	250.60	250.60	11,245.82
Edelweiss Housing Finance Limited *	0.53	6,180.59	195.61	3,881.87
Edelweiss Business Services Limited*	-	521.68	-	-
Edelweiss Agri Value Chain Limited*	-	-	-	10,000
Edelweiss Comtrade Limited **	106.89	447.70	22.06	40.14
<b>Short term loan-Holding Company</b>				
Edelweiss Financial Services Limited	3,636.36	3,642.38	-	10,118.93

\* Merged with Edelweiss Rural & Corporate Services Limited w.e.f. 1<sup>st</sup> August 2018.

\*\* Became Subsidiary w.e.f. 29<sup>th</sup> March 2019.

\*\*\* Merged with EFSL Comtrade Limited w.e.f. 1<sup>st</sup> June 2017



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

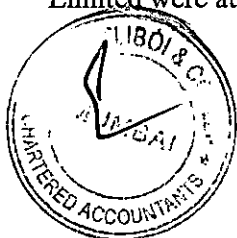
**52 Scheme of Amalgamation of Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, EFSL Comtrade Limited, Edelweiss Fund Advisors Private Limited, Edelweiss Capital Markets Limited**

The Board of Directors of the Company at their meeting held on September 12, 2018, the shareholders and unsecured creditors of the Company at their respective meetings held on December 13, 2018 approved the proposed scheme of Amalgamation (Merger) u/s 233 of the Companies Act, 2013 for amalgamation (merger) of Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, EFSL Comtrade Limited, Edelweiss Fund Advisors Private Limited, Edelweiss Capital Markets Limited (collectively referred to as 'Transferor Companies') with Edelweiss Rural & Corporate Services Limited {formerly known as Edelweiss Commodities Services Limited} ('Transferee Company'). The Scheme of Amalgamation is effective from the appointed date i.e. Aug 01, 2018.

The scheme of amalgamation of the Transferor Companies with the Transferee Company was sanctioned by the Regional Director, SER Hyderabad vide order dated January 21, 2019. On completion of all the merger formalities, the said amalgamation became effective on February 18, 2019.

Consequent to the Amalgamation prescribed by the Scheme, all the assets and liabilities of Transferor Company were transferred to and vested in the Transferee Company. The amalgamation was accounted for under the "pooling of interest" method prescribed under Ind AS 103 - Business Combinations, as prescribed by the Scheme and accordingly all the assets (Rs. 17,306.09 millions), liabilities (Rs. 17,913.86 millions) and reserves (Rs. -1,839.19 millions) of the Transferor Companies were aggregated with those of the Transferee Company at their respective book values as on April 01, 2017. Capital Reserve accounted on merger Rs. 49.21 millions.

Financials for Edelweiss Agri Value Chain Limited were audited by Sharp & Tannan Associates for the year ended 31 March 2018 and period ended 31 July 2018. Similarly, financials for Edelweiss Business Services Limited, EFSL Comtrade Limited, Edelweiss Fund Advisors Private Limited and Edelweiss Capital Markets Limited were audited by NGS & Co. LLP for the year ended 31 March 2018 and period ended 31 July 2018.



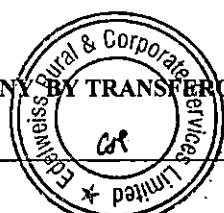
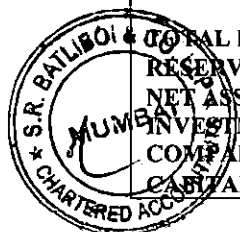
**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

**52 Scheme of Amalgamation of Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, EFSL Comtrade Limited, Edelweiss Fund Advisors Private Limited, Edelweiss Capital Markets Limited (continued):**

Particulars	As at 1 April 2017 (i.e. 31 March 2017)
<b>ASSETS</b>	
<b>Financial assets</b>	
(a) Cash and cash equivalents	28.31
(b) Bank balances other than cash and cash equivalents	362.70
(c) Derivative financial instruments	5.47
(d) Stock in trade	2,133.55
(e) Receivables	
(i) Trade receivables	571.15
(ii) Other receivables	-
(f) Loans	7,084.80
(g) Investments	2,658.50
(h) Other financial assets	3,660.53
<b>Non-financial assets</b>	
(a) Inventories	6.23
(b) Reinsurance assets	-
(c) Current tax assets (net)	99.39
(d) Deferred tax assets (net)	391.95
(e) Investment property	-
(f) Property, Plant and Equipment	70.04
(g) Capital work in progress	6.01
(h) Intangible assets under development	8.39
(i) Goodwill	-
(j) Other Intangible assets	88.67
(k) Other non- financial assets	130.40
<b>TOTAL ASSETS (A)</b>	<b>17,306.09</b>
<b>LIABILITIES</b>	
<b>Financial liabilities</b>	
(a) Derivative financial instruments	-
(b) Payables	
(I) Trade payables	-
(i) total outstanding dues of micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	736.69
(II) Other payables	
(i) total outstanding dues of micro enterprises and small enterprises	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-
(c) Insurance claims payable	-
(d) Debt securities	5,042.66
(e) Borrowings (other than debt securities)	11,697.98
(f) Deposits	-
(g) Subordinated Liabilities	145.45
(h) Other financial liabilities	63.13
<b>Non-financial liabilities</b>	
(a) Current tax liabilities (net)	61.68
(b) Provisions	23.00
(c) Provision for policyholders' liabilities	-
(d) Deferred tax liabilities (net)	19.74
(e) Other non-financial liabilities	123.53
<b>TOTAL LIABILITIES (B)</b>	<b>17,913.86</b>
<b>RESERVES &amp; SURPLUS (C)</b>	<b>(1,839.19)</b>
<b>NET ASSETS TAKEN OVER (A-B-C) (D)</b>	<b>1,231.42</b>
<b>INVESTMENT IN EQUITY CAPITAL OF TRANSFEREE COMPANY BY TRANSFEROR COMPANY (E)</b>	<b>1,182.21</b>
<b>CAPITAL RESERVE ON AMALGAMATION (MERGER) (D-E)</b>	<b>49.21</b>



Edelweiss Rural & Corporate Services Limited  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

**53 Corporate social responsibility (CSR):**

As per the provisions of Section 135 of the Companies Act, 2013:

- i) Gross amount required to be spent by the Company during the year was Rs. 68.23 millions (Financial Year 17-18 Rs.21.61 millions)
- ii) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Constructions / acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	6.50	-	6.50
		(5.30)	-	(5.30)

Notes:

1. The Company is a 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 Rs. 225.19 millions (Previous year: Rs. 177.84 millions) (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2019, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2019.

2. Figures in the bracket are in respect of previous year.

**54 Details of dues to micro enterprise and small enterprise:**

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

**55 Risk Management framework:**

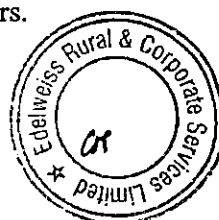
**a) Governance framework**

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

**b) Approach to capital management**

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

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



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

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

Particulars	As at 31 March 2019	As at 31 March 2018
Total Debt	51,664.40	1,12,302.33
Equity	5,852.01	2,856.98
Net Debt to Equity	8.83	39.31

**c) Credit risk**

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and financial instruments.

The Company's management policy is to closely monitor creditworthiness of counterparties by reviewing their credit ratings, financial statements on regular basis.

The Company's financial assets subject to the expected credit loss model within Ind AS 109 are short-term trade and other receivables and financial instruments. Company applies the expected credit loss model for recognising impairment loss. Expected credit loss allowance in respect of receivables is computed based on a provision matrix which takes into account historical credit loss experience.

Company is exposed to credit risk on mutual fund investments, however these investment are not subjected to Ind AS 109 impairment requirements as they are measured at FVTPL. The carrying value of these investments, under Ind AS 109 represents the Company's maximum exposure to credit risk on financial instruments not subject to the Ind AS 109 impairment requirements on the respective reporting dates.

The expected credit loss is a product of exposure at default, probability of default and loss given default. The Company has devised an internal model to evaluate the probability of default and loss given default based on the parameters set out in Ind AS. Accordingly, the financial instruments are classified into various stages as follows:

Internal rating grade	Internal grading description	Stages
<b>Performing</b>		
High grade	0 dpd and 1 to 30 dpd	Stage I
Standard grade	31 to 90 dpd	Stage II
<b>Non-performing</b>		
Individually impaired	90+ dpd	Stage III

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR.



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

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

**Significant increase in credit risk (SICR)**

Company considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets from stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets.

**Probability of Default**

Historical DPD data is used to calculate historic default rates for each portfolio. This is done by using transition matrix which are calculated by assessing the transition from the one DPD state to the default DPD state 12 months from the cohort date.

**Loss Given Default (LGD)**

The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding at NPA was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

**Exposure at Default (EAD)**

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Company, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Company provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

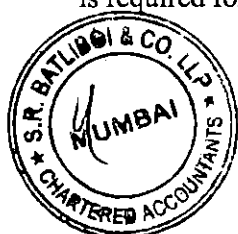
$$\text{EAD} = \text{Drawn Credit Line} + \text{Credit Conversion Factor} * \text{Undrawn Credit Line}$$

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount

Undrawn Credit Line = Difference between the total amount which the Company has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD.





Edelweiss Rural & Corporate Services Limited  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

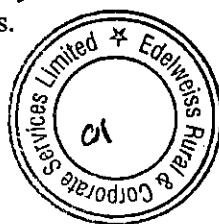
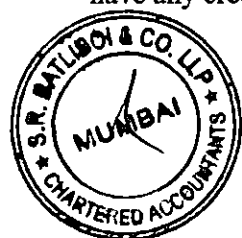
**Reconciliation of impairment allowance on trade receivables:**

Impairment allowance measured as per simplified approach	Total
Impairment allowance as on 1 April 2017 (i.e. 31 March 2017)	299.16
Additions / (reductions) during the year	26.22
Impairment allowance as on 31 March 2018	325.38
Additions / (reductions) during the year	43.01
Impairment allowance as on 31 March 2019	368.39

**Trade Receivables Aging and Expected Credit loss (ECL):**

Year ended	Days past due	0-90days	91-180 days	181-270 days	270- 360 days	more than 360 days	Total
<b>31-Mar-19</b>	ECL rate	0.05%	0.00%	82.91%	83.21%	100.00%	10.62%
	Gross	3,045.42	28.79	88.45	67.31	237.58	3,467.55
	ECL	(1.47)	-	(73.33)	(56.01)	(237.58)	(368.39)
	Net	<b>3,043.95</b>	<b>28.79</b>	<b>15.12</b>	<b>11.30</b>	-	<b>3,099.16</b>
<b>31-Mar-18</b>	Gross	10,273.90	37.25	126.72	-	258.75	10,696.62
	ECL	(0.17)	(0.34)	(96.09)	-	(228.78)	(325.38)
	Net	10,273.73	36.91	30.63	-	29.97	10,371.24
<b>1-Apr-17 (i.e. 31 March 2017)</b>	Gross	3,831.07	71.95	221.97	114.77	-	4,239.76
	ECL	-	-	(196.86)	(102.30)	-	(299.16)
	Net	3,831.07	71.95	25.11	12.47	-	3,940.60

Note: While calibrating matrix, the Company has never experienced any historical credit loss on receivables within the Group entities. The Company has collateral against receivables, hence these receivables does not have any credit risk, thus no credit loss.



Edelweiss Rural & Corporate Services Limited  
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**Notes to the financial statements (continued)**

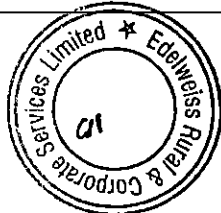
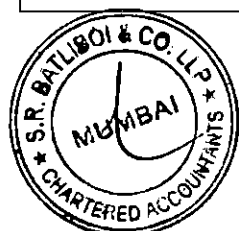
(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

**Collateral held and other credit enhancements**

The tables on the following pages show the maximum exposure to credit risk by class of financial asset.

Maximum exposure to credit risk (carrying amount before ECL) as at	31 March 2019	31 March 2018	1 April 2017 (i.e. 31 March 2017)	Principal type of collateral
<b>Financial assets</b>				
Cash collateral on securities borrowed and reverse repurchase agreement				
<b>Loans:</b>				
Retail Loans	3.42	4.73	7.79	No Collateral
Wholesale loans- Credit Substitutes	3,229.54	13,527.61	13,412.55	Diversified pool of Real Estate Projects, Land, bank balance, Equity shares
ICD-Group Company	3,600.00	4,912.50	14,220.00	No Collateral
ICD External	167.83	175.00	241.98	No Collateral
ICD External	384.60	384.60	384.60	Equity shares
Wholesale loans- Group Loan	17,345.90	62,258.83	52,300.99	No Collateral
Trade receivables-Secured	1,500.43	8,613.88	2,983.70	Agri Stock
Trade receivables-Others	1,967.12	2,082.74	1,256.06	Unsecured
Debt instruments at amortised cost	1,500.00	1,500.00	3,164.44	No Collateral
Other Financial Assets	231.19	559.91	786.06	No Collateral
<b>Total financial assets at amortised cost</b>	<b>29,930.03</b>	<b>94,019.80</b>	<b>88,758.17</b>	
Derivative financial instruments	-	14.90	5.65	No Collateral
Financial assets at FVTPL (except equity)	406.50	461.41	1,321.72	No Collateral
Financial assets at FVTPL Stock in trade- except MF	7,982.50	7,200.95	8,160.75	No Collateral
<b>Total financial instruments at fair value through profit or loss</b>	<b>8,389.00</b>	<b>7,677.26</b>	<b>9,488.12</b>	
Debt instruments at fair value through OCI	-	-	-	
<b>Total debt instruments at fair value through OCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total Financial assets</b>	<b>38,319.03</b>	<b>1,01,697.06</b>	<b>98,246.29</b>	
Loan commitments	-	-	-	
Financial guarantee contracts	3,106.17	1,154.70	3,850.00	
<b>Other commitments</b>	<b>3,106.17</b>	<b>1,154.70</b>	<b>3,850.00</b>	
<b>Total</b>	<b>41,425.20</b>	<b>1,02,851.76</b>	<b>1,02,096.29</b>	



Edelweiss Rural & Corporate Services Limited  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

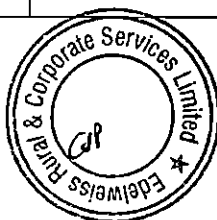
**55 Risk Management framework (continued):**

Financial assets that are stage 3 and related collateral held in order to mitigate potential losses are given below:

31 March 2019	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial assets</b>				
Loans:				
Retail Loans	-	-	-	-
Wholesale loans	542.43	270.29	272.14	272.14
<b>Total financial assets at amortised cost</b>	<b>542.43</b>	<b>270.29</b>	<b>272.14</b>	<b>272.14</b>
Loan commitments	-	-	-	-
Financial guarantee contracts	-	-	-	-
<b>Total</b>	<b>542.43</b>	<b>270.29</b>	<b>272.14</b>	<b>272.14</b>

31 March 2018	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial assets</b>				
Loans:				
Retail Loans	-	-	-	-
Wholesale loans	1,033.58	558.14	475.44	217.73
<b>Total financial assets at amortised cost</b>	<b>1,033.58</b>	<b>558.14</b>	<b>475.44</b>	<b>217.73</b>
Loan commitments	-	-	-	-
Financial guarantee contracts	-	-	-	-
<b>Total</b>	<b>1,033.58</b>	<b>558.14</b>	<b>475.44</b>	<b>217.73</b>

1 April 2017 (i.e. 31 March 2017)	Maximum exposure to credit risk (carrying amount before ECL)	Associated ECL	Carrying amount	Fair value of collateral
<b>Financial assets</b>				
Loans:				
Retail Loans	-	-	-	-
Wholesale loans	604.60	386.87	217.73	217.73
<b>Total financial assets at amortised cost</b>	<b>604.60</b>	<b>386.87</b>	<b>217.73</b>	<b>217.73</b>
Loan commitments	-	-	-	-
Financial guarantee contracts	-	-	-	-
<b>Total</b>	<b>604.60</b>	<b>386.87</b>	<b>217.73</b>	<b>217.73</b>



Edelweiss Rural & Corporate Services Limited  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

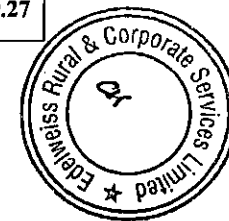
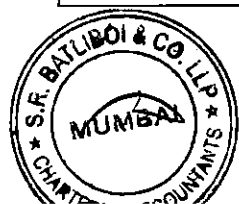
**Analysis of risk concentration**

The Company's concentrations of risk are managed by client/counterparty and industry sector.

The following table shows the risk concentration by industry for the components of the balance sheet.

**Industry analysis - Risk concentration for 31 March 2019**

Particulars	Financial services	Construction	Oil & gas	Media	Others including Commodity	Total
<b>Financial assets</b>						
Cash and cash equivalent and other bank balances	6,158.19	-	-	-	-	6,158.19
Derivative financial instruments	-	-	-	-	-	-
Financial assets carried at fair value through profit and loss	1,227.87	-	-	-	-	1,227.87
Stock in trade	8,077.99	-	-	-	-	8,077.99
Financial assets - Amortised cost	1,500.00	-	-	-	-	1,500.00
Trade and other receivables	-	-	-	-	3,099.16	3,099.16
Loans	20,938.20	1,259.02	1,244.22	534.79	272.14	24,248.37
Other Financial Assets	231.19	-	-	-	-	231.19
<b>Total Financial assets</b>	<b>38,133.44</b>	<b>1,259.02</b>	<b>1,244.22</b>	<b>534.79</b>	<b>3,371.30</b>	<b>44,542.77</b>
Other Commitments	46.50	-	-	-	-	46.50
<b>Total</b>	<b>38,179.94</b>	<b>1,259.02</b>	<b>1,244.22</b>	<b>534.79</b>	<b>3,371.30</b>	<b>44,589.27</b>



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

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

**Industry analysis - Risk concentration for 31 March 2018**

Particulars	Financial services	Consumers	Construction	Oil & gas	Manufacturing	Media	Others including Commodity	Total
<b>Financial assets</b>								
Cash and cash equivalent and other bank balances	3,693.96	-	-	-	-	-	-	3,693.96
Derivative financial instruments	14.90	-	-	-	-	-	-	14.90
Financial assets carried at fair value through profit and loss	1,060.61	-	-	-	-	-	98.29	1,158.90
Stock in trade	9,196.42	-	-	-	-	-	12.07	9,208.49
Financial assets - Amortised cost	1,500.00	-	-	-	-	-	-	1,500.00
Trade and other receivables	-	-	-	-	-	-	10,371.24	10,371.24
Loans	67,309.70	1,431.67	7,175.35	2,001.17	1,182.94	509.23	706.13	80,316.19
Other Financial Assets	559.91	-	-	-	-	-	-	559.91
<b>Total Financial assets</b>	<b>83,335.50</b>	<b>1,431.67</b>	<b>7,175.35</b>	<b>2,001.17</b>	<b>1,182.94</b>	<b>509.23</b>	<b>11,187.73</b>	<b>1,06,823.59</b>
Other Commitments	52.50	-	-	-	-	-	-	52.50
<b>Total</b>	<b>83,388.00</b>	<b>1,431.67</b>	<b>7,175.35</b>	<b>2,001.17</b>	<b>1,182.94</b>	<b>509.23</b>	<b>11,187.73</b>	<b>1,06,876.09</b>



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

**Industry analysis - Risk concentration for 1 April 2017 (i.e. 31 March 2017)**

Particulars	Financial services	PSU undertaking	Consumers	Technology	Construction	Oil & gas	Manu- facturing	Media	Others including Commodity	Total
<b>Financial assets</b>										
Cash and cash equivalent and other bank balances	2,698.87	-	-	-	-	-	-	-	-	2,698.87
Derivative financial instruments	5.65	-	-	-	-	-	-	-	-	5.65
Financial assets carried at fair value through profit and loss	1,531.70	99.83	-	15.07	0.02	-	353.22	-	112.55	2,112.39
Stock in trade	9,641.04	251.25	288.96	-	-	-	89.30	-	21.41	10,291.96
Financial assets - Amortised cost	3,164.44	-	-	-	-	-	-	-	-	3,164.44
Trade and other receivables	-	-	-	-	-	-	-	-	3,940.60	3,940.60
Loans	63,960.30	-	4,256.29	-	5,037.99	1,236.99	4,563.81	468.47	217.73	79,741.58
Other Financial Assets	786.06	-	-	-	-	-	-	-	-	786.06
<b>Total Financial assets</b>	<b>81,788.06</b>	<b>351.08</b>	<b>4,545.25</b>	<b>15.07</b>	<b>5,038.01</b>	<b>1,236.99</b>	<b>5,006.33</b>	<b>468.47</b>	<b>4,292.29</b>	<b>1,02,741.55</b>
Other Commitments	68.00	-	-	-	-	-	-	-	-	68.00
<b>Total</b>	<b>81,856.06</b>	<b>351.08</b>	<b>4,545.25</b>	<b>15.07</b>	<b>5,038.01</b>	<b>1,236.99</b>	<b>5,006.33</b>	<b>468.47</b>	<b>4,292.29</b>	<b>1,02,809.55</b>



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

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

**d) Liquidity Risk:**

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of:

- Possibility that the Company could be required to pay its trade payables earlier than expected.
- Mismatch in maturity profile of assets and liabilities
- Delay in receipt of receivables including agency receivables

The Company's policy is to satisfy redemption requests by the following means (in decreasing order of priority):

- Withdrawal of cash deposits
- Disposal of highly liquid assets (i.e. short-term, low-risk debt investments, inventory)
- Either disposal of other assets or increase of leverage

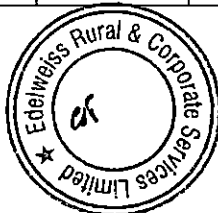
The Company also has undrawn borrowing facilities amounting to Rs. 3,000.00 (millions) as on 31 March 2019 (as on 31 March 2018: Rs. 500.00 (millions), as on 1 April 2017 (i.e. 31 March 2017): Rs. 1,500.00 (millions).

**i. Analysis of financial assets and liabilities by remaining contractual maturities**

**Analysis of non-derivative financial liabilities by remaining contractual maturities**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial liabilities as at 31 March. Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at 31 March 2019	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Trade payables	-	2,175.46	-	-	-	2,175.46
Debt securities	12,162.17	1,121.95	7,649.91	27,223.57	9,792.48	57,950.08
Borrowings (other than debt securities)	-	1,327.20	-	-	-	1,327.20
Deposits	33.98	-	-	-	-	33.98
Subordinated financial liabilities	-	-	-	-	1,799.85	1,799.85
Other financial liabilities	282.61	5.23	51.25	-	-	339.09
<b>Total undiscounted non-derivative financial liabilities</b>	<b>12,478.76</b>	<b>4,629.84</b>	<b>7,701.16</b>	<b>27,223.57</b>	<b>11,592.33</b>	<b>63,625.66</b>



Edelweiss Rural & Corporate Services Limited  
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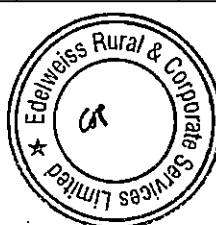
**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

As at 31 March 2018	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Trade payables	-	4,359.46	-	-	-	4,359.46
Debt securities	45,945.46	17,980.49	17,000.60	24,521.80	11,611.60	1,17,059.95
Borrowings (other than debt securities)	33.27	967.57	-	-	-	1,000.84
Deposits	-	3,026.17	-	-	-	3,026.17
Subordinated financial liabilities	-	-	-	-	1,679.21	1,679.21
Other financial liabilities	710.22	3.63	68.61	-	-	782.46
<b>Total undiscounted non-derivative financial liabilities</b>	<b>46,688.95</b>	<b>26,337.32</b>	<b>17,069.21</b>	<b>24,521.80</b>	<b>13,290.81</b>	<b>1,27,908.09</b>

As at 1 April 2017 (i.e. 31 March 2017)	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Trade payables	-	4,586.23	-	-	-	4,586.23
Debt securities	53,211.67	1,395.47	10,082.45	20,825.20	2,799.11	88,313.90
Borrowings (other than debt securities)	10,824.95	406.25	7,158.04	-	-	18,389.24
Deposits	-	541.14	-	-	-	541.14
Subordinated financial liabilities	-	-	-	-	2,090.88	2,090.88
Other financial liabilities	922.95	5.43	84.67	-	-	1,013.05
<b>Total undiscounted non-derivative financial liabilities</b>	<b>64,959.57</b>	<b>6,934.52</b>	<b>17,325.16</b>	<b>20,825.20</b>	<b>4,889.99</b>	<b>1,14,934.44</b>





**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

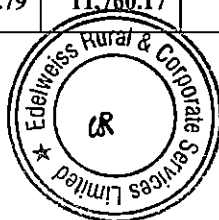
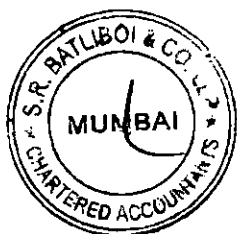
**55 Risk Management framework (continued):**

**Analysis of non-derivative financial assets by remaining contractual maturities**

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

As at 31 March 2019	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	5,643.37	408.36	75.94	23.91	6.61	6,158.19
Stock in trade	4,888.54	2,212.24	959.67	17.54	-	8,077.99
Trade receivables	-	2,730.78	368.38	-	-	3,099.16
Loans	1,122.68	-	20,978.88	2,146.81	-	24,248.37
Investments at fair value through profit or loss	-	-	105.19	1,122.68	-	1,227.87
Investments at amortised cost	-	-	-	1,500.00	-	1,500.00
Other financial assets	148.15	-	83.04	-	-	231.19
<b>Total</b>	<b>11,802.74</b>	<b>5,351.38</b>	<b>22,571.10</b>	<b>4,810.94</b>	<b>6.61</b>	<b>44,542.77</b>

As at 31 March 2018	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	3,378.98	115.61	158.87	26.59	13.91	3,693.96
Stock in trade	2,017.23	910.05	-	415.00	5,866.21	9,208.49
Trade receivables	-	10,045.86	325.38	-	-	10,371.24
Loans	-	688.65	476.71	74,503.33	4,647.50	80,316.19
Investments at fair value through profit or loss	2.83	-	-	1,156.07	-	1,158.90
Investments at amortised cost	-	-	-	1,500.00	-	1,500.00
Other financial assets	124.75	-	435.17	-	-	559.91
<b>Total</b>	<b>5,523.79</b>	<b>11,760.17</b>	<b>1,396.13</b>	<b>77,600.99</b>	<b>10,527.62</b>	<b>1,06,808.70</b>



Edelweiss Rural & Corporate Services Limited  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

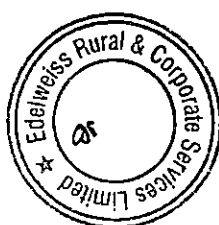
**55 Risk Management framework (continued):**

As at 1 April 2017 (i.e. 31 March 2017)	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	1,131.10	748.83	678.01	128.94	11.99	2,698.87
Stock in trade	5,890.00	91.29	2.05	3.23	4,305.39	10,291.96
Trade receivables	-	3,641.45	299.15	-	-	3,940.60
Loans	112.39	68,243.85	-	8,988.70	2,396.64	79,741.58
Investments at fair value through profit or loss	2.57	-	532.23	-	1,577.59	2,112.39
Investments at amortised cost	-	-	-	1,500.00	1,664.44	3,164.44
Other financial assets	-	-	643.95	142.11	-	786.06
<b>Total</b>	<b>7,136.06</b>	<b>72,725.42</b>	<b>2,155.39</b>	<b>10,762.98</b>	<b>9,956.05</b>	<b>1,02,735.90</b>

**Maturity analysis for derivatives:**

All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given.

	As at	Less than 3 months	3 to 6 months	6 to 12 months	1 to 3 years	> 3 years	Total
Other net settled derivatives (other than those entered into for trading purposes)	31 March 2019	-	-	-	-	-	-
	31 March 2018	14.80	-	-	-	-	14.80
	31 March 2017	(21.71)	-	-	-	-	(21.71)



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

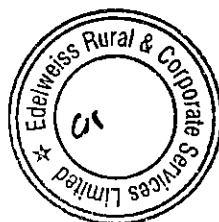
**55 Risk Management framework (continued):**

**Maturity profile and rate of interest of non-convertible debentures and commercial papers are set out below:**

As at 31 March 2019	<1 years	1-3 years	> 3 years	Total
<b>Rate of interest</b>				
7.00 - 7.99%	-	-	-	-
8.00 - 8.99%	3,956.08	3,796.37	6,000.00	13,752.45
9.00 - 9.99%	7,679.44	12,792.92	200.00	20,672.36
10.00 - 10.99%	-	12,750.00	-	12,750.00
<b>Total</b>	<b>11,635.52</b>	<b>29,339.29</b>	<b>6,200.00</b>	<b>47,174.81</b>
Add: Interest accrued and effective interest rate amortisations				1,328.56
<b>Total</b>				<b>48,503.37</b>

As at 31 March 2018	<1 years	1-3 years	> 3 years	Total
<b>Rate of interest</b>				
7.00 - 7.99%	21,661.30	-	-	21,661.30
8.00 - 8.99%	29,612.59	31,353.02	7,500.00	68,465.61
9.00 - 9.99%	175.00	9,909.00	3,600.29	13,684.29
10.00 - 10.99%	735.00	-	-	735.00
<b>Total</b>	<b>52,183.89</b>	<b>41,262.02</b>	<b>11,100.29</b>	<b>1,04,546.20</b>
Add: Interest accrued and effective interest rate amortisations				2,049.89
<b>Total</b>				<b>1,06,596.09</b>

As at 1 April 2017 (i.e. 31 March 2017)	<1 years	1-3 years	> 3 years	Total
<b>Rate of interest</b>				
7.00 - 7.99%	50,433.75	-	-	50,433.75
8.00 - 8.99%	5,104.89	10,000.00	6,537.00	21,641.89
9.00 - 9.99%	3,279.44	5,275.00	2,244.00	10,798.44
10.00 - 10.99%	865.00	3,235.90	-	4,100.90
<b>Total</b>	<b>59,683.08</b>	<b>18,510.90</b>	<b>8,781.00</b>	<b>86,974.98</b>
Add: Interest accrued and effective interest rate amortisations				1,657.32
<b>Total</b>				<b>88,632.30</b>



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

**e) Market risks**

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

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

**i. Interest rate risk**

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

The Company is not exposed to interest rate risk as it does not trade in Interest Rate Derivatives and does not have any loans having variable interest rates.

**ii. Currency risk**

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

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

Currency	2018-19					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	82.22	-	5	(82.22)	-



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

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

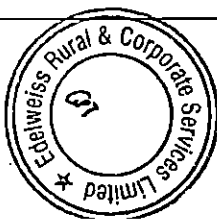
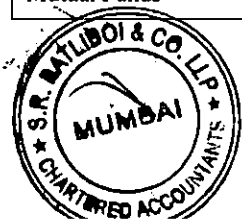
Currency	2017-18					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	2.15	-	5	(2.15)	-
GBP	5	(1.43)	-	5	1.43	-

**iii. Equity price risk**

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

Impact on	2018-19					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Mutual Funds	5	4.76	-	5	(4.76)	-

Impact on	2017-18					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	10.17	-	5	(10.17)	-
Mutual Funds	5	99.92	-	5	(99.92)	-



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

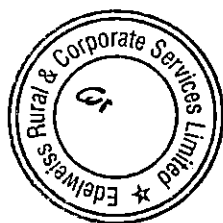
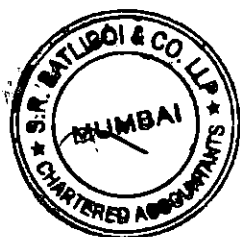
**55 Risk Management framework (continued):**

**iv. Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of market prices other than equity and index prices.

Impact on	2018-19					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Debt Securities	0.25	10.49	-	0.25	(10.49)	-

Impact on	2017-18					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Debt Securities	0.25	2.11	-	0.25	(2.19)	-



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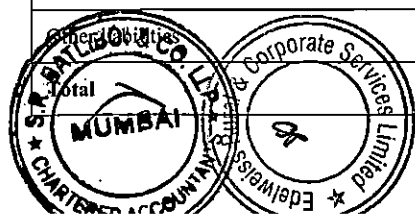
**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**55 Risk Management framework (continued):**

Below table shows Company's exposure to market risk into Traded Risk and Non- Traded Risk

Particulars	31-Mar-19			31-Mar-18			1-Apr-2017 (i.e. 31 March 2017)		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>									
Cash and cash equivalent and other bank balances	6,158.19	-	6,158.19	3,693.96	-	3,693.96	2,698.87	-	2,698.87
Derivative financial instruments	-	-	-	14.90	14.90	-	5.65	5.65	-
Financial assets at FVTPL	1,227.87	-	1,227.87	1,158.90	-	1,158.90	2,112.39	-	2,112.39
Stock in trade	8,077.99	8,077.99	-	9,208.49	9,208.49	-	10,291.96	10,291.96	-
Loans	24,248.37	-	24,248.37	80,316.19	-	80,316.19	79,741.58	-	79,741.58
Trade receivables	3,099.16	-	3,099.16	10,371.24	-	10,371.24	3,940.60	-	3,940.60
Financial investments- Amortised cost	10,020.03	-	10,020.03	8,855.82	-	8,855.82	8,227.36	-	8,227.36
Other assets	231.19	-	231.19	559.91	-	559.91	786.06	-	786.06
<b>Total</b>	<b>53,062.80</b>	<b>8,077.99</b>	<b>44,984.81</b>	<b>1,14,179.41</b>	<b>9,223.39</b>	<b>1,04,956.02</b>	<b>1,07,804.47</b>	<b>10,297.61</b>	<b>97,506.86</b>
<b>Liability</b>									
Borrowings (other than Debt Securities)	1,327.20	-	1,327.20	1,000.84	-	1,000.84	18,389.24	-	18,389.24
Derivative financial instruments	-	-	-	-	-	-	-	-	-
Deposits	33.98	-	33.98	3,026.17	-	3,026.17	541.14	-	541.14
Debt securities	48,503.37	-	48,503.37	1,06,596.11	-	1,06,596.11	88,632.31	-	88,632.31
Subordinated Liabilities	1,799.85	-	1,799.85	1,679.21	-	1,679.21	2,090.88	-	2,090.88
Trade payables	2,175.46	-	2,175.46	4,359.46	-	4,359.46	4,586.23	-	4,586.23
Other liabilities	339.09	-	339.09	782.46	-	782.46	1,013.05	-	1,013.05
<b>Total</b>	<b>54,178.95</b>	<b>-</b>	<b>54,178.95</b>	<b>1,17,444.25</b>	<b>-</b>	<b>1,17,444.25</b>	<b>1,15,252.85</b>	<b>-</b>	<b>1,15,252.85</b>



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**56 Fair value measurement:**

**a) Valuation Principles**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

**b) Assets and liabilities by fair value hierarchy**

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	31 March 2019			
Particulars	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Derivative financial instruments	-	-	-	-
<b>Total derivative financial instruments</b>	-	-	-	-
<b>Stock in trade</b>				
Other debt securities and preference shares	2,787.79	-	4,598.22	7,386.01
Mutual fund units	95.22	-	-	95.22
Equity instruments	0.30	-	-	0.30
Nifty linked debentures	-	-	596.46	596.46
<b>Total Stock in trade</b>	<b>2,883.31</b>	<b>-</b>	<b>5,194.68</b>	<b>8,077.99</b>
<b>Investments</b>				
Debt securities	-	-	406.50	406.50
Equity instruments	-	-	105.19	105.19
Investments in Funds	-	-	595.56	595.56
Investment in Tech fund	-	-	120.62	120.62
Investment in Partnership firms	-	-	-	-
<b>Total investments measured at fair value</b>	<b>-</b>	<b>-</b>	<b>1,227.87</b>	<b>1,227.87</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>2,883.31</b>	<b>-</b>	<b>6,422.55</b>	<b>9,305.86</b>





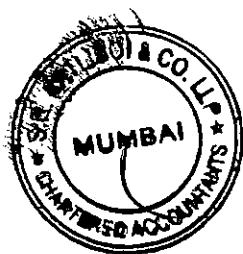
Edelweiss Rural & Corporate Services Limited  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**56 Fair value measurement (continued):**

	31 March 2018			
Particulars	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments:</b>				
Exchange-traded derivatives	22.67	-	-	22.67
OTC derivatives	-	14.31	-	14.31
<b>Total derivative financial instruments</b>	22.67	14.31	-	36.98
<b>Stock in trade</b>				
Debt securities	523.78	-	4,855.69	5,379.47
Preference shares	2.90	-	-	2.90
Mutual fund units	1,995.47	-	-	1,995.47
Nifty linked debentures	-	-	1,818.58	1,818.58
Equity instruments	12.07	-	-	12.07
<b>Total Stock in trade</b>	2,534.22	-	6,674.27	9,208.49
<b>Investments</b>				
Debt securities	-	-	461.41	461.41
Mutual fund units	2.83	-	-	2.83
Equity instruments	-	-	114.62	114.62
Investments in Funds	-	-	483.10	483.10
Investment in Tech fund	-	-	96.94	96.94
Investment in Partnership firms	-	-	-	-
<b>Total investments measured at fair value</b>	2.83	-	1,156.07	1,158.90
<b>Total financial assets measured at fair value on a recurring basis</b>	2,559.72	14.31	7,830.34	10,404.37



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Notes to the financial statements (continued)

(Currency: Rupees in millions)

56 Fair value measurement (continued):

	1 April 2017 (i.e. 31 March 2017)			
Particulars	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments:</b>				
Exchange-traded derivatives	182.75	-	-	182.75
OTC derivatives	-	-	-	-
<b>Total derivative financial instruments</b>	<b>182.75</b>	<b>-</b>	<b>-</b>	<b>182.75</b>
<b>Stock in trade</b>				
Other debt securities and preference shares	5,795.87	-	2,364.86	8,160.73
Mutual fund units	2,000.00	-	-	2,000.00
Equity instruments	131.23	-	-	131.23
<b>Total Stock in trade</b>	<b>7,927.10</b>	<b>-</b>	<b>2,364.86</b>	<b>10,291.96</b>
<b>Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Debt securities	-	-	1321.72	1321.72
Mutual fund units	2.57	-	-	2.57
Equity instruments	290.10	-	242.13	532.23
Investments in Funds	-	-	212.13	212.13
Investment in Tech fund	-	-	43.74	43.74
Investment in Partnership firms	-	-	-	-
<b>Total investments measured at fair value</b>	<b>292.67</b>	<b>-</b>	<b>1,819.72</b>	<b>2,112.39</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>8,402.52</b>	<b>-</b>	<b>4,184.58</b>	<b>12,587.10</b>



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

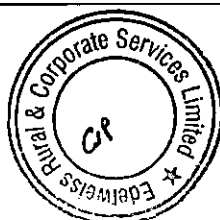
(Currency: Rupees in millions)

**56 Fair value measurement (continued):**

Particulars	31 March 2019			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value on a recurring basis -</b>				
Derivative financial instruments (Liabilities):	-	-	-	-
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	-	-	-
Embedded derivatives in market-linked debentures (provided entire liability is not designated at FVTPL)	-	-	-	-
<b>Total derivative financial instruments (liabilities)</b>	-	-	-	-
<b>Total financial liabilities measured at fair value on a recurring basis</b>	-	-	-	-

Particulars	31 March 2018			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value on a recurring basis -</b>				
Derivative financial instruments (Liabilities):	-	-	-	-
Exchange-traded derivatives	21.27	-	-	21.27
OTC derivatives	-	-	-	-
Embedded derivatives in market-linked debentures (provided entire liability is not designated at FVTPL)	-	-	-	-
<b>Total derivative financial instruments (liabilities)</b>	21.27	-	-	21.27
<b>Total financial liabilities designated at FVTPL</b>	-	-	-	-
<b>Total financial liabilities measured at fair value on a recurring basis</b>	21.27	-	-	21.27

Particulars	1 April 2017 (i.e. 31 March 2017)			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value on a recurring basis -</b>				
Derivative financial instruments (Liabilities):	159.15	-	-	159.15
Exchange-traded derivatives	-	-	-	-
OTC derivatives	-	-	-	-
Embedded derivatives in market-linked debentures (provided entire liability is not designated at FVTPL)	-	-	-	-
<b>Total derivative financial instruments (liabilities)</b>	159.15	-	-	159.15
<b>Financial liabilities designated at fair value through profit or loss -</b>				
<b>Total financial liabilities measured at fair value on a recurring basis</b>	159.15	-	-	159.15



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

(Currency: Rupees in millions)

**56 Fair value measurement (continued):**

**Fair valuation techniques:**

**Debt securities**

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

**Equity instruments and units of Alternative Investment Funds**

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

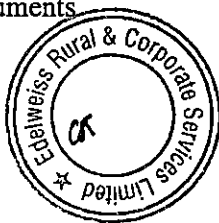
**Derivatives**

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

**Embedded derivatives**

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Company classify these embedded derivative as level 3 instruments.



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

(Currency: Rupees in millions)

**56 Fair value measurement (continued):**

**c) Financial instruments not measured at fair value**

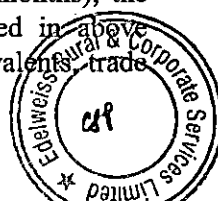
The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised.

31 March 2019					
Particulars	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	3,016.91	3,080.68	-	-	3,080.68
<b>Total</b>	<b>3,016.91</b>	<b>3,080.68</b>	<b>-</b>	<b>-</b>	<b>3,080.68</b>
<b>Financial liabilities</b>					
Debt securities	47,523.93	48,129.40	-	-	48,129.40
<b>Total</b>	<b>47,523.93</b>	<b>48,129.40</b>	<b>-</b>	<b>-</b>	<b>48,129.40</b>

31 March 2018					
Particulars	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	12,913.12	12,984.86	-	-	12,984.86
<b>Total</b>	<b>12,913.12</b>	<b>12,984.86</b>	<b>-</b>	<b>-</b>	<b>12,984.86</b>
<b>Financial liabilities</b>					
Debt securities	55,322.20	55,682.45	-	-	55,682.45
<b>Total</b>	<b>55,322.20</b>	<b>55,682.45</b>	<b>-</b>	<b>-</b>	<b>55,682.45</b>

1 April 2017 (i.e. 31 March 2017)					
Particulars	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Loans	12,973.09	13,072.63	-	-	13,072.63
<b>Total</b>	<b>12,973.09</b>	<b>13,072.63</b>	<b>-</b>	<b>-</b>	<b>13,072.63</b>
<b>Financial liabilities</b>					
Debt securities	33,064.23	33,316.91	-	-	33,316.91
<b>Total</b>	<b>33,064.23</b>	<b>33,316.91</b>	<b>-</b>	<b>-</b>	<b>33,316.91</b>

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts are a reasonable approximation of their fair value and hence not included in above disclosure. Such instruments include: Trade receivables, balances other than cash and cash equivalents, trade payables and contract liability without a specific maturity.



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

(Currency: Rupees in millions)

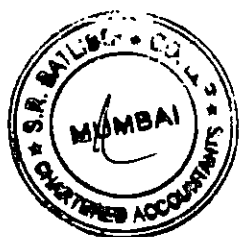
**56 Fair value measurement (continued):**

**d) Movement in financial instrument measured at fair value**

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

Particulars	Financial assets					Total
	Investments in units of AIF	Investments in unquoted equity shares	Other investments classified as FVTPL	Debt Instruments classified as FVTPL	Nifty Linked Debentures	
At 1 April 2018	580.04	114.62	461.41	4,855.69	1,818.58	7,830.34
Purchase	95.05	-	-	1,461.37	8,635.18	10,191.60
Sales	-	0.02	102.60	2,342.44	9,888.62	12,333.68
Gains / (losses) for the period (2018-19) recognised in profit or loss	41.09	(9.41)	47.69	623.60	31.32	734.29
At 31 March 2019	716.18	105.19	406.50	4,598.22	596.46	6,422.55
Unrealised gains / (losses) related to balances held at the end of the period	45.67	(10.21)	72.79	636.08	15.17	759.50

Particulars	Financial assets					Total
	Investments in units of AIF	Investments in unquoted equity shares	Other investments classified as FVTPL	Debt Instruments classified as FVTPL	Nifty Linked Debentures	
At 1 April 2017	255.87	242.13	811.42	2,364.86	510.30	4,184.58
Purchase	319.59	60.45	-	3,513.59	3,092.55	6,986.18
Sales	-	187.16	375.11	1,051.38	1,742.90	3,356.55
Gains / (losses) for the period (2017-18) recognised in profit or loss	4.58	(0.80)	25.10	28.62	(41.37)	16.13
At 31 March 2018	580.04	114.62	461.41	4,855.69	1,818.58	7,830.34
Unrealised gains / (losses) related to balances held at the end of the period	4.58	(0.80)	25.10	12.48	(30.08)	11.28



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

(Currency: Rupees in millions)

**56 Fair value measurement (continued):**

**e) Unobservable inputs used in measuring fair value categorized within Level 3**

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

Type of Financial Instruments	Fair value of asset as on 31 March 2019	Fair value of liability as on 31 March 2019	Valuation Techniques	Significant Unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Stock in trade (Participative Non-Convertible Debentures)	4,598.21	-	Discounted cash flow	Expected future cash flows	5%	398.09	5%	(370.51)
				Discount rate @ 12%	0.5%	(110.99)	0.5%	121.89
Nifty linked debentures	596.46	-	Discounted cash flow	Expected future cash flows	5%	29.82	5%	(29.82)
Investments in units of AIF	716.18	-	Net Assets Approach	Fair value of underlying investments	5%	35.81	5%	(35.81)
Investments in unquoted equity shares categorised at Level 3	105.19	-	Comparable transaction and P/E	Fair value per share	5%	5.26	5%	(5.26)
Other investments classified as FVTPL	406.50	-	Comparable transaction and P/E	Fair value of the instrument	5%	20.32	5%	(20.32)
<b>Total</b>	<b>6,422.54</b>	<b>-</b>						



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

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**56 Fair value measurement (continued):**

Type of Financial Instruments	Fair value of asset as on 31 March 2018	Fair value of liability as on 31 March 2018	Valuation Techniques	Significant Unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Stock in trade (Participative Non-Convertible Debentures)	4,855.69	-	Discounted cash flow	Expected future cash flows	5%	314.71	5%	(302.86)
				Discount rate @ 12%	0.5%	(115.07)	0.5%	119.45
Nifty linked debentures	1,818.58	-	Discounted cash flow	Expected future cash flows	5%	90.93	5%	(90.93)
Investments in units of AIF	580.04	-	Net Assets Approach	Fair value of underlying investments	5%	29.00	5%	(29.00)
Investments in unquoted equity shares categorised at Level 3	114.62	-	Comparable transaction and P/E	Fair value per share	5%	5.73	5%	(5.73)
Other investments classified as FVTPL	461.41	-	Comparable transaction and P/E	Fair value of the instrument	5%	23.07	5%	(23.07)
<b>Total</b>	<b>7,830.34</b>	<b>-</b>						





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

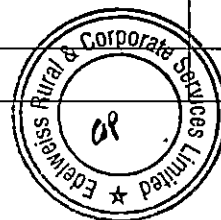
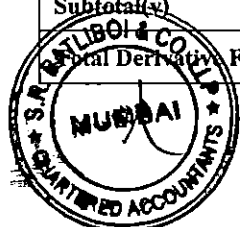
(Currency: Rupees in millions)

**57 Derivative financial instruments:**

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

	31 March 2019					
	Notional		Fair value of asset	Notional		Fair value of liability
Particulars	Unit	Notional amount*		Unit	Notional amount*	
(i) Currency derivatives						
-Currency Futures	Number of currency units	37.59	7.72	Number of currency units	4.33	0.89
Less: Amount offset (refer note 58 - offsetting disclosure)	Number of currency units	-	(7.72)	Number of currency units	-	(0.89)
Total Derivative Financial Instruments			-			-

	31 March 2018					
	Notional		Fair value of asset	Notional		Fair value of liability
Particulars	Unit	Notional amount*		Unit	Notional amount*	
(i) Currency derivatives						
-Spot and forwards	Number of currency units	46.81	14.31	Number of currency units	-	-
-Currency Futures	Number of currency units	0.20	0.07	Number of currency units	0.76	0.04
-Options purchased	Number of currency units	3.00	0.59	Number of currency units	-	-
-Options sold (written)	Number of currency units	-	-	Number of currency units	2.00	0.11
Less: Amount offset (refer note 58 - offsetting disclosure)		-	(0.07)		-	(0.15)
Sub total (i)			14.90			-
(iv) Equity linked derivatives		-	-		-	-
-Stock Futures	Number of shares	1.34	3.06	Number of shares	5.18	21.05
Less: Amount offset (refer note 58 - offsetting disclosure)		-	(3.06)		-	(21.05)
Subtotal(iv)			-			-
(v) Index linked derivatives		-	-		-	-
-Index Futures	Number of index units	0.12	18.95	Number of index units	-	-
-Options sold (written)	Number of index units	-	-	Number of index units	0.00	0.08
Less: Amount offset (refer note 58 - offsetting disclosure)		-	(18.95)		-	(0.08)
Subtotal(v)			-			-
Total Derivative Financial Instruments			14.90			-



Edelweiss Rural & Corporate Services Limited  
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**Notes to the financial statements (continued)**

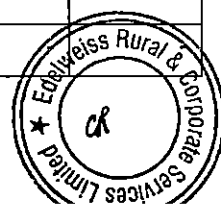
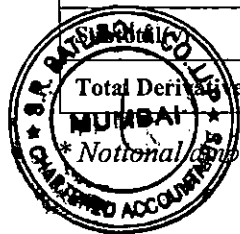
(Currency: Rupees in millions)

**57 Derivative financial instruments (continued):**

Particulars	1 April 2017 (i.e. 31 March 2017)					
	Notional		Fair value of asset	Notional		Fair value of liability
	Unit	Notional amount*		Unit	Notional amount*	
<b>(i) Currency derivatives</b>						
-Currency Futures	Number of currency units	83.63	38.61	Number of currency units	10.40	6.58
-Options purchased	Number of currency units	91.00	5.53	Number of currency units	-	-
-Options sold (written)	Number of currency units	-	-	Number of currency units	56.08	27.24
Less: Amount offset (refer note 58 - offsetting disclosure)		-	(38.61)		-	(33.82)
<b>Sub total (i)</b>		-	5.53		-	-
<b>(ii) Interest rate derivatives</b>		-	-		-	-
-Futures	Number of Interest Rate units	-	-	Number of Interest Rate units	2.50	1.08
Less: Amount offset (refer note 58 - offsetting disclosure)		-	-		-	(1.08)
<b>Subtotal(ii)</b>		-	-		-	-
<b>(iv) Equity linked derivatives</b>		-	-		-	-
-Stock Futures	Number of shares	18.12	43.97	Number of shares	18.69	124.14
-Options purchased	Number of shares	0.03	0.12	Number of shares	-	-
-Options sold (written)	Number of shares	-	-	Number of shares	0.03	0.05
Less: Amount offset (refer note 58 - offsetting disclosure)		-	(43.97)		-	(124.19)
<b>Subtotal(iv)</b>		-	0.12		-	-
<b>(v) Index linked derivatives</b>		-	-		-	-
-Index Futures	Number of index units	0.78	94.53	Number of index units	-	-
-Options sold (written)	Number of index units	-	-	Number of index units	0.00	0.07
Less: Amount offset (refer note 58 - offsetting disclosure)		-	(94.53)		-	(0.07)
<b>Total Derivative Financial Instruments</b>		-	5.65		-	-

Total Derivative Financial Instruments

\* Notional amount represents quantity of the Derivatives contracts and are reported in millions.



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**58 Offsetting:**

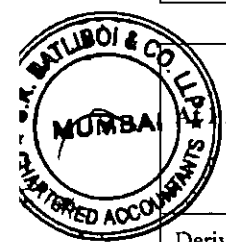
Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis. The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet.

Financial assets subject to offsetting

At 31 March 2019	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet
Derivative financial assets	7.72	7.72	-	-	-	-	-

At 31 March 2018	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet
Derivative financial assets	22.08	22.08	-	-	-	14.90	14.90

April 2017 (i.e. 31 March 2017)	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Assets not subject to netting arrangements	Total assets
	Gross asset before offset	Amount offset*	Net asset recognised in balance sheet	Financial liabilities	Assets after consideration of netting potential	Assets recognised on the balance sheet	Recognised in the balance sheet
Derivative financial assets	177.10	177.10	-	-	-	5.65	5.65



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

(Currency: Rupees in millions)

**58 Offsetting (continued):**

**Financial liabilities subject to offsetting**

At 31 March 2019	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet
Derivative financial liabilities	0.89	0.89	-	-	-	-	-

At 31 March 2018	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet
Derivative financial liabilities	21.27	21.27	-	-	-	-	-

At 31 April 2017 (i.e. 31 March 2017)	Offsetting recognised in the balance sheet			Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements	Total liabilities
	Gross liability before offset	Amount offset*	Net liability recognised in balance sheet	Financial assets	Liabilities after consideration of netting potential	Liabilities recognised on the balance sheet	Recognised in the balance sheet
Derivative financial liabilities	159.15	159.15	-	-	-	-	-

\* As at the reporting date, the amount of cash margin received has been offset against the gross derivative assets. Similarly, the amount of cash margin paid has also been offset against the gross derivative liabilities.



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

(Currency: Rupees in millions)

**59 Investments:**

As at 31 March 2019

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
(i) Debt securities	1,500.00	-	406.50	-	406.50	-	1,906.50
(ii) Equity instruments	-	-	105.19	-	105.19	-	105.19
(iii) Subsidiaries							
a) Equity	-	-	-	-	-	3,369.29	3,369.29
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(iv) Associates							
a) Equity	-	-	-	-	-	4,500.33	4,500.33
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	648.45	648.45
(v) Preference shares	-	-	-	-	-	-	-
(vi) Others - Investment In Partnership Firm Group	-	-	-	-	-	1.96	1.96
(vii) Others - Investment In Funds	-	-	595.56	-	595.56	-	595.56
(viii) Others - Units of Tech Fund	-	-	120.62	-	120.62	-	120.62
<b>TOTAL - Gross (A)</b>	<b>1,500.00</b>	<b>-</b>	<b>1,227.87</b>	<b>-</b>	<b>1,227.87</b>	<b>8,520.03</b>	<b>11,247.90</b>
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	1,500.00	-	1,227.87	-	1,227.87	8,520.03	11,247.90
<b>Total (B)</b>	<b>1,500.00</b>	<b>-</b>	<b>1,227.87</b>	<b>-</b>	<b>1,227.87</b>	<b>8,520.03</b>	<b>11,247.90</b>
<b>Less: Allowance for impairment (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Net (A-C)</b>	<b>1,500.00</b>	<b>-</b>	<b>1,227.87</b>	<b>-</b>	<b>1,227.87</b>	<b>8,520.03</b>	<b>11,247.90</b>



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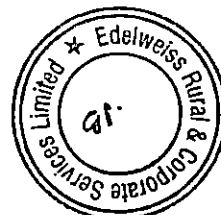
**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**59 Investments (continued):**

As at 31 March 2018

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7) = (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
(i) Mutual Fund	-	-	2.83	-	2.83	-	2.83
(ii) Debt securities	1,500.00	-	461.41	-	461.41	-	1,961.41
(iii) Equity instruments	-	-	114.62	-	114.62	-	114.62
(iv) Subsidiaries							
a) Equity	-	-	-	-	-	2,829.00	2,829.00
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(v) Associates							
a) Equity	-	-	-	-	-	4,521.51	4,521.51
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(vi) Others - Investment In Partnership Firm Group	-	-	-	-	-	5.31	5.31
(vii) Others - Investment In AIF	-	-	483.10	-	483.10	-	483.10
(viii) Others - Investment In Tech Funds	-	-	96.94	-	96.94	-	96.94
<b>TOTAL - Gross (A)</b>	<b>1,500.00</b>	<b>-</b>	<b>1,158.90</b>	<b>-</b>	<b>1,158.90</b>	<b>7,355.82</b>	<b>10,014.72</b>
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	1,500.00	-	1,158.90	-	1,158.90	7,355.82	10,014.72
<b>Total (B)</b>	<b>1,500.00</b>	<b>-</b>	<b>1,158.90</b>	<b>-</b>	<b>1,158.90</b>	<b>7,355.82</b>	<b>10,014.72</b>
<b>Less: Allowance for impairment (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Net (A-C)</b>	<b>1,500.00</b>	<b>-</b>	<b>1,158.90</b>	<b>-</b>	<b>1,158.90</b>	<b>7,355.82</b>	<b>10,014.72</b>



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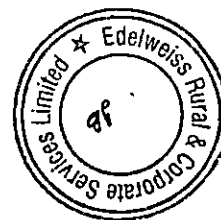
**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**59 Investments (continued):**

As at 1 April 2017 (i.e. 31 March 2017)

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
(i) Mutual Fund	-	-	2.57	-	2.57	-	2.57
(ii) Debt securities	1,500.00	-	1,321.72	-	1,321.72	-	2,821.72
(iii) Equity instruments	-	-	532.23	-	532.23	-	532.23
(iv) Subsidiaries							
a) Equity	-	-	-	-	-	2,829.00	2,829.00
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	-	-	-	-	-	-	-
(v) Associates							
a) Equity	-	-	-	-	-	1,989.50	1,989.50
b) Debt securities	-	-	-	-	-	-	-
b) Preference shares	-	-	-	-	-	188.37	188.37
(vi) Fellow subsidiaries	-	-	-	-	-	-	-
a) Equity	-	-	-	-	-	-	-
b) Debt securities	-	-	-	-	-	-	-
c) Preference shares	1,664.44	-	-	-	-	-	1,664.44
(vii) Others - Investment In Partnership Firm Group	-	-	-	-	-	56.05	56.05
(viii) Others - Investment In Funds	-	-	212.13	-	212.13	-	212.13
(ix) Units of Tech Fund	-	-	43.74	-	43.74	-	43.74
<b>TOTAL - Gross (A)</b>	<b>3,164.44</b>	<b>-</b>	<b>2,112.39</b>	<b>-</b>	<b>2,112.39</b>	<b>5,062.92</b>	<b>10,339.75</b>
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	3,164.44	-	2,112.39	-	2,112.39	5,062.92	10,339.75
<b>Total (B)</b>	<b>3,164.44</b>	<b>-</b>	<b>2,112.39</b>	<b>-</b>	<b>2,112.39</b>	<b>5,062.92</b>	<b>10,339.75</b>
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A-C)</b>	<b>3,164.44</b>	<b>-</b>	<b>2,112.39</b>	<b>-</b>	<b>2,112.39</b>	<b>5,062.92</b>	<b>10,339.75</b>



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**60 Income Tax:**

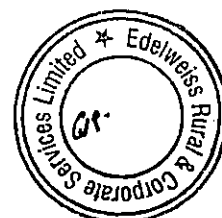
The components of income tax expense for the years ended 31 March 2019 and 2018 are:

Particulars	2018-19	2017-18
Current tax	372.60	500.94
Adjustment in respect of current income tax of prior years	(11.76)	24.81
Deferred tax relating to origination and reversal of temporary differences	423.13	(279.55)
<b>Total tax charge</b>	<b>783.97</b>	<b>246.20</b>

**Reconciliation of the total tax charge**

The tax charge shown in the statement of profit and loss differs from the tax charge that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2019 and 2018 is, as follows:

Particulars	2018-19	2017-18
Accounting profit before tax as per financial statements	2,123.31	992.30
Tax rate (in percentage)	34.944%	34.608%
Income tax expense calculated based on this tax rate	741.97	343.41
Adjustment in respect of current income tax of prior years	(11.76)	24.81
Others -share of partnership firm / dividend Income	1.39	(106.35)
Penalties	0.01	0.02
Tax effect on Goodwill Amortisation	(16.10)	-
Tax impact on Preference debt interest	-	(65.16)
Preference shares cost	56.74	69.77
Standard Deduction and Property Tax on House Property Income	(4.91)	9.45
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	16.12	(53.87)
Losses without DTA	6.60	-
Minimum alternate tax on book profits (incremental portion)	18.93	18.17
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	(18.93)	(18.17)
Others ( including Tax Rate changes)	(6.09)	24.12
<b>Tax charge for the year recorded in P&amp;L</b>	<b>783.97</b>	<b>246.20</b>





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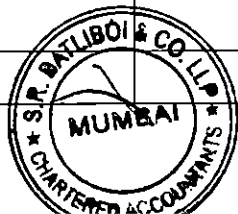
**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**61 Deferred Tax:**

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

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2018-19)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Deferred taxes in relation to:								
Property, Plant and Equipment	(123.75)	11.16	-	-	-	-	11.16	(112.59)
Stock in trade & Investments	(9.14)	(231.86)	-	-	-	-	(231.86)	(241.00)
Employee benefits obligations	54.07	(32.75)	2.19	-	-	-	(30.56)	23.51
Fair valuation of Derivatives	10.32	(8.85)	-	-	-	-	(8.85)	1.47
Borrowings	21.73	(148.76)	-	-	-	-	(148.76)	(127.03)
Loans given	705.40	(307.00)	-	-	-	-	(307.00)	398.40
ESOP cost	48.95	-	-	(48.95)	-	-	(48.95)	-
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	23.17	18.00	-	-	-	-	18.00	41.17
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	154.09	297.91	-	-	-	(24.83)	273.08	427.17
Share of profit from partnership firm	21.40	(21.40)	-	-	-	-	(21.40)	-
Reversal of fee income	86.80	-	-	-	-	-	-	86.80
Capitalised borrowing costs on building	(36.47)	1.75	-	-	-	-	1.75	(34.72)
Others ( share issuance expenses, lease equalisation reserve etc)	2.16	(1.33)	-	-	-	-	(1.33)	0.83
<b>Total</b>	<b>958.73</b>	<b>(423.13)</b>	<b>2.19</b>	<b>(48.95)</b>	<b>-</b>	<b>(24.83)</b>	<b>(494.72)</b>	<b>464.01</b>



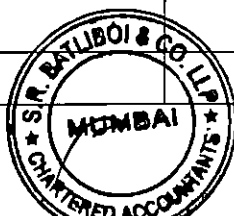
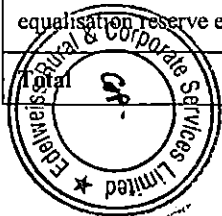
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**61 Deferred Tax (continued):**

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2017-18)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Deferred taxes in relation to:								
Property, Plant and Equipment	(117.85)	(5.90)	-	-	-	-	(5.90)	(123.75)
Stock in trade & Investments	(89.13)	79.99	-	-	-	-	79.99	(9.14)
Employee benefits obligations	62.23	(7.25)	(0.91)	-	-	-	(8.16)	54.07
Fair valuation of Derivatives	2.63	7.69	-	-	-	-	7.69	10.32
Borrowings	30.44	(8.71)	-	-	-	-	(8.71)	21.73
Loans given	578.93	126.47	-	-	-	-	126.47	705.40
ESOP cost	-	-	-	48.95	-	-	48.95	48.95
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	86.48	(63.31)	-	-	-	-	(63.31)	23.17
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	113.81	48.01	-	-	-	(7.73)	40.28	154.09
Share of profit from partnership firm	7.41	13.99	-	-	-	-	13.99	21.40
Reversal of fee income	-	86.80	-	-	-	-	86.80	86.80
Capitalised borrowing costs on building	(38.10)	1.63	-	-	-	-	1.63	(36.47)
Others ( share issuance expenses, lease equalisation reserve etc)	2.02	0.14	-	-	-	-	0.14	2.16
<b>Total</b>	<b>638.87</b>	<b>279.55</b>	<b>(0.91)</b>	<b>48.95</b>	<b>-</b>	<b>(7.73)</b>	<b>319.86</b>	<b>958.73</b>



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

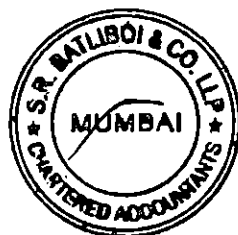
(Currency: Rupees in millions)

**62 Credit Quality:**

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances. Details of the Company's internal grading system are explained in Note 55 and policies on whether ECL allowances are calculated on an individual or collective basis are set out in Note 55

**Gross carrying amount of loan assets allocated to Stage 1, Stage 2, Stage 3**

	31 March 2019				31 March 2018				1 April 2017 (i.e. 31 March 2017)			
Particulars	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
<b>Loans (at amortised cost)</b>												
<b>Performing</b>												
High grade	21,466.27	-	-	21,466.27	72,968.17	-	-	72,968.17	73,253.99	-	-	73,253.99
Standard grade	-	2,722.59	-	2,722.59	-	7,261.52	-	7,261.52	-	6,709.32	-	6,709.32
Substandard grade	-	-	-	-	-	-	-	-	-	-	-	-
<b>Non-performing</b>												
Impaired	-	-	542.43	542.43	-	-	1,033.58	1,033.58	-	-	604.6	604.6
<b>Total</b>	<b>21,466.27</b>	<b>2,722.59</b>	<b>542.43</b>	<b>24,731.29</b>	<b>72,968.17</b>	<b>7,261.52</b>	<b>1,033.58</b>	<b>81,263.27</b>	<b>73,253.99</b>	<b>6,709.32</b>	<b>604.6</b>	<b>80,567.91</b>



**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

**62 Credit Quality (continued):**

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

Particulars	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III			
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL
As at 1 April 2017 (i.e. 31 March 2017)	73,253.99	67.17	6,709.32	372.29	604.60	386.87	80,567.91	826.33
Transfers:	-	-	(714.36)	(15.56)	714.36	15.56	-	-
Transfers to 12 Month ECL (Stage 1)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	(714.36)	(15.56)	714.36	15.56	-	-
Net new and further lending/ (repayments)	(285.82)	65.33	1,266.56	(100.29)	(285.38)	155.71	695.36	120.75
Amounts written off (net)	-	-	-	-	-	-	-	-
As at 31 March 2018	72,968.17	132.50	7,261.52	256.44	1,033.58	558.14	81,263.27	947.08



Edelweiss Rural & Corporate Services Limited  
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**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**62 Credit Quality (continued):**

Particulars	Non-credit impaired				Credit impaired		Total	
	Stage I		Stage II		Stage III		Gross carrying amount	Allowance for ECL
	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL	Gross carrying amount	Allowance for ECL		
As at 1 April 2018	72,968.17	132.50	7,261.52	256.44	1,033.58	558.14	81,263.27	947.08
Transfers:	(979.05)	(3.53)	979.05	3.53	-	-	-	-
Transfers to 12 Month ECL (Stage 1)	(979.05)	(3.53)	979.05	3.53	-	-	-	-
Transfers to lifetime ECL (Stage 2)	-	-	-	-	-	-	-	-
Transfers to lifetime ECL- Credit impaired (Stage 3)	-	-	-	-	-	-	-	-
Net new and further lending/ repayments	(50,522.85)	5.95	(5,517.98)	(182.26)	(7.17)	(61.58)	(56,048.00)	(237.89)
Amounts written off	-	-	-	-	(483.98)	(226.27)	(483.98)	(226.27)
As at 31 March 2019	21,466.27	134.92	2,722.59	77.71	542.43	270.29	24,731.29	482.92



**Edelweiss Rural & Corporate Services Limited**  
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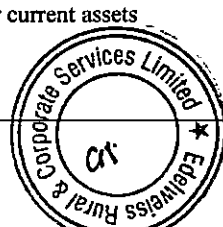
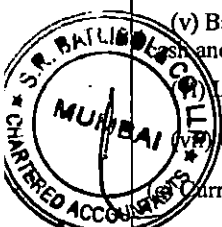
**Notes to the financial statements (continued)**

(Currency: Rupees in millions)

**63 Effect of Ind AS adoption on the Balance Sheet as at 31st March 2018 and 1st April 2017:**

Below table shows the effect of Ind AS adoption on the Balance sheet as at 31st March 2018 and 01st April 2017.

Particulars	As at 31 March 2018			As at 1 April 2017 (i.e. 31 March 2017)			Remarks
	Previous GAAP	Effect of transition to Ind AS	As per Ind-AS Balance Sheet	Previous GAAP (post Merger)	Effect of transition to Ind AS	As per Ind-AS Balance Sheet	
<b>ASSETS</b>							
<b>Non-current assets</b>							
Fixed assets							
(a) Property, Plant and Equipment	262.27	-	262.27	238.10	-	238.10	
(b) Capital work in progress	0.25	-	0.25	10.82	-	10.82	
(c) Investment property	2,675.73	-	2,675.73	2,804.86	-	2,804.86	
(d) Goodwill	-	-	-	18.68	-	18.68	
(e) Other Intangible assets	90.89	-	90.89	167.20	-	167.20	
(f) Intangible assets under development	19.80	-	19.80	3.97	-	3.97	
(g) Financial Assets	-	-	-	-	-	-	
(i) Investments	9,960.64	45.93	10,006.57	12,328.21	(2,047.08)	10,281.13	Note 1
(ii) Trade & Other receivables	-	-	-	-	-	-	
(iii) Loans	21,669.70	(374.00)	21,295.70	17,108.31	(439.46)	16,668.85	Note 2
(iii) Other financial assets	0.13	-	0.13	25.39	-	25.39	
(h) Deferred tax assets (net)	478.53	480.20	958.73	350.19	288.68	638.87	Note 3
(i) Income tax assets (net)	193.06	-	193.06	600.60	-	600.60	
(j) Other non-current assets	0.38	-	0.38	226.58	-	226.58	
<b>Current assets</b>							
(a) Inventories	1,429.06	-	1,429.06	2,687.50	-	2,687.50	
(b) Financial Assets	-	-	-	-	-	-	
(i) Stock in trade	9,226.72	(18.23)	9,208.49	10,246.49	45.47	10,291.96	Note 1
(ii) Investments	8.15	-	8.15	58.62	-	58.62	
(iii) Trade & Other receivables	10,626.49	(255.25)	10,371.24	3,959.06	(18.46)	3,940.60	Note 2
(iv) Cash and cash equivalents	3,101.26	-	3,101.26	652.20	-	652.20	
(v) Bank balances other than cash and cash equivalents	592.70	-	592.70	2,046.67	-	2,046.67	
(vi) Loans	59,597.70	(577.21)	59,020.49	63,640.00	(567.27)	63,072.73	Note 2
(vii) Other financial assets	574.68	-	574.68	766.32	-	766.32	
(viii) Current tax assets (net)	1,022.76	-	1,022.76	117.88	-	117.88	
(d) Other current assets	700.95	-	700.95	472.16	-	472.16	
<b>TOTAL</b>	<b>1,22,231.85</b>	<b>(698.56)</b>	<b>1,21,533.29</b>	<b>1,18,529.81</b>	<b>(2,738.12)</b>	<b>1,15,791.69</b>	



Edelweiss Rural & Corporate Services Limited  
(formerly known as Edelweiss Commodities Services Limited)

Notes to the financial statements (continued)

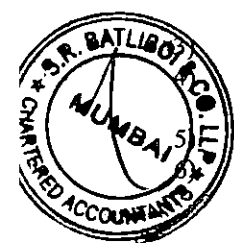
(Currency: Rupees in millions)

63 Effect of Ind AS adoption on the Balance Sheet as at 31st March 2018 and 1st April 2017 (continued):

Particulars	As at 31 March 2018			As at 1 April 2017 (i.e. 31 March 2017)			Remarks
	Previous GAAP	Effect of transition to Ind AS	As per Ind-AS Balance Sheet	Previous GAAP (post Merger)	Effect of transition to Ind AS	As per Ind-AS Balance Sheet	
<b>EQUITY AND LIABILITIES</b>							
<b>Shareholders' funds</b>							
(a) Equity share capital	297.75	-	297.75	297.75	-	297.75	
(b) Instruments entirely equity in nature	-	-	-	-	-	-	
(c) Preference share capital	272.90	(272.90)	-	302.90	(302.90)	-	Note 4
(d) Other equity	4,726.87	(2,167.64)	2,559.23	3,864.43	(4,613.90)	(749.47)	Note 5
	5,297.52	(2,440.54)	2,856.98	4,465.08	(4,916.80)	(451.72)	
<b>Non-current liabilities</b>							
(a) Long-term borrowings				-		-	
(a) Financial liabilities							
(i) Borrowings	53,579.33	1,741.98	55,321.31	30,334.24	2,178.68	32,512.92	Note 4 & 6
(ii) Trade payables	-	-	-	-	-	-	
(ii) Other financial liabilities	68.71	-	68.71	84.65	-	84.65	
(b) Provisions	47.31	-	47.31	67.28	-	67.28	
(c) Deferred tax liabilities (net)	-	-	-	-	-	-	
(d) Other non-current liabilities	-	-	-	-	-	-	
<b>Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings	56,981.02	-	56,981.02	77,140.65	-	77,140.65	
(ii) Trade payables	4,359.46	-	4,359.46	4,586.23	-	4,586.23	
(iii) Other financial liabilities	713.75	-	713.75	928.40	-	928.40	
(b) Other current liabilities	843.05	-	843.05	461.15	-	461.15	
(c) Provisions	161.04	-	161.04	400.46	-	400.46	
(d) Current tax liabilities (net)	180.66	-	180.66	61.67	-	61.67	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,22,231.85</b>	<b>(698.56)</b>	<b>1,21,533.29</b>	<b>1,18,529.81</b>	<b>(2,738.12)</b>	<b>1,15,791.69</b>	

Notes:

- 1) Fair valuation gain has been recognised as Ind AS adjustment on outstanding on stock in trade and investments.
- 2) Expected Credit Loss (ECL) has been recognised as an Ind AS adjustment on outstanding trade receivables and Loan portfolio.  
Deferred tax assets have been recognised on Ind AS adjustments.  
Preference share capital have been reported under Borrowing as required under Ind AS and necessary EIR & fair valuation adjustments recognised on the same.  
Adjustment to Equity has been done under Ind AS on account of all the above adjustments.  
EIR adjustments have been recognised on outstanding Borrowings.



Edelweiss Rural & Corporate Services Limited  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

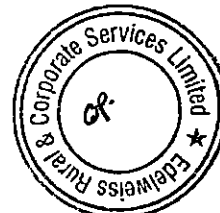
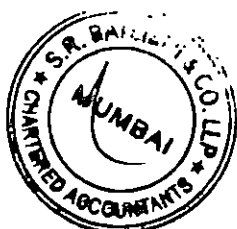
**64 Reconciliation of Total Comprehensive Income for the year ended 31<sup>st</sup> March 2018 under erstwhile Indian GAAP and Ind AS as summarised below:**

**Reconciliation of Total Comprehensive Income for the year ended 31st March 2018:**

Particulars	Year ended 31 March 2018
<b>Profit as reported under previous GAAP (A)</b>	<b>1,068.20</b>
<u>Ind AS adjustments on account of:</u>	
Interest Income on investment in preference shares	366.37
Finance cost on preference shares issued	(155.41)
Preference Capital Dividend ( including Dividend Distribution Tax )	(46.20)
Fair valuation of assets	(249.39)
Expected credit loss provision	75.87
Difference in revenue recognition of Fee income	(250.80)
Effective Interest rate on financial assets and liabilities (net)	(180.49)
ESOP Fair value charge & remeasurement of defined benefit plans (actuarial gains/losses))	(9.76)
Tax effect on above adjustments	127.71
<b>Total adjustment to profit &amp; loss (B)</b>	<b>(322.10)</b>
<b>Profit as per Ind AS (after tax)</b>	<b>746.10</b>
<b>Other Comprehensive Income for the year (net of tax)</b>	<b>1.88</b>
<b>Total Comprehensive Income under Ind AS</b>	<b>747.98</b>

**Reconciliation of Total Equity**

Particulars	As at 31 March 2018
<b>Total Equity / Shareholders' Funds as per Previous GAAP - Post Merger</b>	<b>5,297.52</b>
<u>Adjustments:</u>	
Preference shares investment in Group companies	-
Preference shares issued to Group companies	(1,685.54)
Fair valuation of Investments	42.63
Effective Interest rate on financial assets and liabilities (net)	(62.77)
Expected credit loss provision	(949.33)
Difference in revenue recognition of Fee income	(250.80)
Deferred Tax on ESOP	48.95
Tax adjustment on above items	416.32
<b>Total adjustment to Equity</b>	<b>(2,440.54)</b>
<b>Total Equity / Shareholders' Funds as per Ind AS</b>	<b>2,856.98</b>





**Edelweiss Rural & Corporate Services Limited**  
(formerly known as Edelweiss Commodities Services Limited)

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

(Currency: Rupees in millions)

**65 Other Disclosures:**

**i) Change in liabilities arising from financing activities**

Below table shows changes in in liabilities arising from financing activities during the reporting period

Particulars	1-Apr-18	Cash flows	Finance costs during the year	31-Mar-19
Debt securities	1,06,596.11	(66,737.60)	8,644.86	48,503.37
Borrowings other than debt securities	1,000.84	(203.09)	529.45	1,327.20
Deposits	3,026.17	(3,050.85)	58.66	33.98
Subordinated liabilities	1,679.21	(122.53)	243.17	1,799.85
<b>Total liabilities from financing activities</b>	<b>1,12,302.33</b>	<b>(70,114.07)</b>	<b>9,476.14</b>	<b>51,664.40</b>

Particulars	1-Apr-17	Cash flows	Finance costs during the year	31-Mar-18
Debt securities	88,632.31	8,450.46	9,513.34	1,06,596.11
Borrowings other than debt securities	18,389.24	(19,091.74)	1,703.34	1,000.84
Deposits	541.14	2,384.53	100.50	3,026.17
Subordinated liabilities	2,090.88	(129.99)	(281.68)	1,679.21
<b>Total liabilities from financing activities</b>	<b>1,09,653.57</b>	<b>(8,386.74)</b>	<b>11,035.50</b>	<b>1,12,302.33</b>

**ii) Revenue from contract with customers**

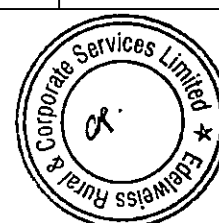
Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

**For the year ended 31 March 2019**

Particulars	Nature	Fees and commission income
Service transferred at a point in time	Agri Shared Services (ASC), Real Estate Advisory Practice (REAP) and Others	317.91
Service transferred over time	Enterprise cost sharing	1,594.64
<b>Total revenue from contract with customers</b>		<b>1,912.55</b>

**For the year ended 31 March 2018**

Particulars	Nature	Fees and commission income
Service transferred at a point in time	Agri Shared Services (ASC), Real Estate Advisory Practice (REAP) and Others	727.01
Service transferred over time	Enterprise cost sharing	1,108.92
<b>Total revenue from contract with customers</b>		<b>1,835.93</b>



**Edelweiss Rural & Corporate Services Limited**  
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**Notes to the financial statements (continued)**

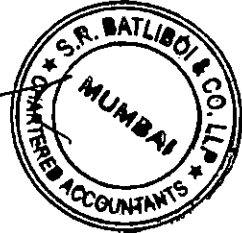
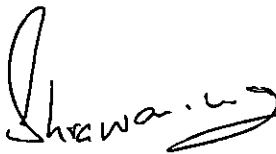
(Currency: Rupees in millions)

**66 Previous year comparatives**

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

As per our report of even date attached.

**For S.R. Batliboi & Co. LLP**  
*Chartered Accountants*  
ICAI Firm Registration No.301003E/E300005



**per Shrawan Jalan**  
*Partner*  
Membership No.: 102102

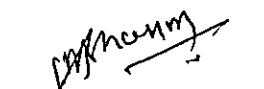
**For and on behalf of the Board of Directors**  
**Edelweiss Rural & Corporate Services Limited**




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



**Santosh Dadheech**  
*Executive Director*  
DIN.: 00196204



**Manoj Sharma**  
*Chief Financial Officer*



**Rupa Agarwal**  
*Company Secretary*

Mumbai  
13 May 2019

Mumbai  
13 May 2019

