

Price Waterhouse Chartered Accountants LLP

TO THE MEMBERS OF EDELWEISS FINANCE & INVESTMENTS LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Mumbai: +91 (22) 66691500, F: +91 (22) 66547804 / 07

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Edelweiss Finance & Investments Limited

Report on the Financial Statements

Page 2 of 3

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Edelweiss Finance & Investments Limited

Report on the Financial Statements

Page 3 of 3

- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its financial statements – Refer Note 2.40;
 - ii. The Company has made provision as at March 31, 2018, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 2.5, 2.9 and 2.78;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018; and
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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



Russell I Parera
Partner

Membership Number : 42190

Mumbai
May 02, 2018

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

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

Page 1 of 2

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

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

Page 2 of 2

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Russell I Parera
Partner
Membership Number : 42190

Mumbai
May 02, 2018

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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

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

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

(c) The title deeds of immovable properties, as disclosed in Note 2.10 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The verification of securities held as stock in trade have been conducted on the basis of statement of holding received from the Depository Participants, account statement of Mutual Fund and clearing corporation holding statement at reasonable intervals by the Management during the year.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company being a Non-banking financial Company and therefore, the provisions of Clause 3(iv) of the said Order in respect of Section 185 and 186 (2) is not applicable.

In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 (1) of the Companies Act, 2013 as applicable, in respect of investment made.

- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including profession tax, employees' state insurance, income tax, service tax, goods and service tax with effect from July 1, 2017, TDS, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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

Page 2 of 3

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise, value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.14	AY 2009-10	Commissioner of Income Tax (A)
Income Tax Act, 1961	Income Tax	90.50	AY 2013-14	Commissioner of Income Tax (A)

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



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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

Page 3 of 3

- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is required to, and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non Banking Finance Company.

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



Russell Parera
Partner
Membership Number : 42190

Mumbai
May 02, 2018

Edelweiss Finance & Investments Limited

Balance Sheet

(Currency: Indian Rupees in million)

EQUITY AND LIABILITIES

Shareholders' funds

(a) Share capital	2.1	348.15	340.35
(b) Reserves and surplus	2.2	1,960.27	3,341.31
		2,308.42	3,681.66

Non-current liabilities

(a) Long-term borrowings	2.3	-	1,761.61
(b) Other long term liabilities	2.4	-	262.32
(a) Long-term provisions	2.5	43.94	56.27

Current liabilities

(a) Short-term borrowings	2.6	17,542.79	11,877.28
(b) Trade payables		-	-
i) Total outstanding dues of micro enterprises and small enterprises		5,106.85	273.92
ii) Total outstanding dues other than micro enterprises and small enterprises	2.7		
(c) Other current liabilities	2.8	84.92	4,700.79
(d) Short-term provisions	2.9	320.92	368.55

TOTAL

	25,407.84	22,982.40
--	------------------	------------------

ASSETS

Non-current assets

(a) Fixed assets	2.10		
(i) Property, Plant and Equipment		9.78	204.64
(ii) Intangible assets		4.71	1.49
(b) Non-current investments	2.11	-	999.08
(b) Deferred tax assets (net)	2.12	44.59	171.51
(c) Long-term loans and advances	2.13	437.77	1,036.49
(d) Other non-current assets	2.14	10.48	422.33
		507.33	2,835.54

Current assets

(a) Current Investments	2.15	-	17.28
(a) Stock-in-trade	2.16	14,512.70	17,350.78
(b) Trade receivables	2.17	9,710.65	606.78
(c) Cash and bank balances	2.18	202.96	795.03
(d) Short-term loans and advances	2.19	134.91	542.65
(e) Other current assets	2.20	339.29	834.34
		24,900.51	20,146.86

TOTAL

	25,407.84	22,982.40
--	------------------	------------------

The accompanying notes are an integral part of the financial statements

1 & 2

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

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No. 012754N / N500016

Russell I Parera

Partner

Membership No: 42190

Place: Mumbai

Date: 02 May 2018

For and on behalf of the Board of Directors

S. Ranganathan
Executive Director
DIN: 00125493

Ajay Mangalika
Director
DIN: 02861202

Manjeet Bijlani
Chief Financial Officer

Amit Pandey
Company Secretary

Place: Mumbai

Date: 02 May 2018

Edelweiss Finance & Investments Limited

Statement of Profit and Loss

(Currency: Indian Rupees in million)

		For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations			
I. Fee and commission income	2.21	-	144.91
II. Income from treasury operations and Investments	2.22	(52.58)	258.38
III. Interest income	2.23	1,595.08	2,614.83
IV. Other income	2.24	-	35.93
V. Total Revenue		1,542.50	3,054.05
Expenses			
Employee benefit expenses	2.25	127.59	392.51
Finance costs	2.26	1,298.30	1,133.59
Depreciation and Amortisation expense	2.10	4.80	18.07
Other expenses	2.27	79.12	327.97
VI. Total expenses		1,509.81	1,872.14
VII. Profit before tax (V- VI)		32.69	1,181.91
VIII. Profit before tax from continuing operation		32.69	816.44
IX. Tax expense:			
(1) Current tax [includes short/(excess) provision for earlier years Rs.(165.16) million (Previous year Rs.(56.74) million].		(158.69)	293.10
(2) MAT Credit entitlement		(6.46)	-
(3) Deferred tax (Net)		(14.42)	2.31
X. Profit after tax from continuing operation (VIII- IX)		212.26	521.03
XI. Profit before tax from discontinuing operation		-	365.47
XII. Tax expense:			
(1) Current tax		-	131.21
(2) Deferred tax (Net)		-	(37.82)
XIII. Profit after tax from discontinuing Operation (XI-XII)		-	272.08
XIV. Profit for the year (X + XIII)		212.26	793.11
Earnings per equity share (Face value Rs. 10 each) Basic and diluted		51.37	277.92

The accompanying notes are an integral part of the financial statements 1 & 2

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

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No. 012754N / N500016



Russell I Parora

Partner

Membership No: 42190

Place: Mumbai

Date: 02 May 2018

For and on behalf of the Board of Directors



S. Ranganathan
Executive Director
DIN: 00125493



Ajay Manglik
Director
DIN: 02861202



Manjeet Bijlani
Chief Financial Officer
Place: Mumbai
Date: 02 May 2018



Amlt Pandey
Company Secretary

Edelweiss Finance & Investments Limited

Cash Flow Statement

(Currency: Indian Rupees in million)

For the year ended
31 March 2018

For the year ended
31 March 2017

A Cash flow from operating activities

Profit before tax	32.69	1,181.91
Adjustments for		
Depreciation	4.80	18.07
Provision for compensated absences	(0.29)	(0.37)
Provision for standard assets	-	(11.55)
Provision for doubtful debts	-	(1.43)
Diminution in value of non-current investments	-	212.71
Profit on sale of Fixed Assets	-	(0.20)
Dividend on investments	(0.00)	(54.33)
Interest on security receipts	-	(17.60)
Profit on sale of non current investments (net)	(25.60)	(6.35)
Profit on sale of current investments (net)	-	(33.24)
Operating cash flow before working capital changes	11.60	1,287.64
Add / (Less): Adjustments for working capital changes		
Increase in trade receivables	(9,103.87)	(572.63)
Decrease in Stock in trade	638.08	9,961.27
Decrease in receivable from financing business (including credit substitutes)	3,558.86	4,450.32
Increase in other loans and advances	(76.32)	(18.91)
Decrease in other assets	893.70	195.27
Increase in liabilities and provisions	3,658.95	913.72
Cash generated from operations	(419.01)	16,216.68
Income taxes Paid	(98.79)	(451.28)
Net cash used in operating activities	(517.80)	15,765.39
Net cash generated from operating activities -A	(517.80)	15,765.39

B Cash flow from investing activities

Purchase of fixed assets	(8.77)	(2.50)
Sale of fixed assets	195.62	1.03
Purchase of investments	0.00	(36.23)
Sale of investments	1,041.96	271.60
Purchase of current investments	-	(0.01)
Sale of current investments	-	307.74
Interest on security receipts	-	17.60
Dividend on investments	0.00	54.33
Net cash generated from investing activities - B	1,228.81	613.55

C Cash flow from financing activities

Proceeds from issue of equity share capital including premium	399.52	-
Net assets on demerger (refer note 2.58)	(1,788.47)	-
Repayment on Issue of Long term secured debentures (refer note 1)	(5,524.41)	(2,089.41)
Increase/(Decrease) in short term borrowing	5,665.52	(14,420.98)
Dividend & Dividend Distribution Tax paid	(55.24)	(726.69)
Net cash used in financing activities - C	(1,303.08)	(17,237.07)

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

(592.07) **(858.12)**



Edelweiss Finance & Investments Limited

Cash Flow Statement (continued)

(Currency: Indian Rupees in million)

	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash and cash equivalents as at the beginning of the year	745.03	1,603.17
Cash and cash equivalents as at the end of the year (Refer note 2.18)	152.96	745.03

Notes:

- 1 Net figures have been reported on account of volume of transactions.
- 2 The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements" specified under Section 133 of the Companies Act, 2013 read with paragraph 7 of the Companies (Accounts) Rules, 2014.

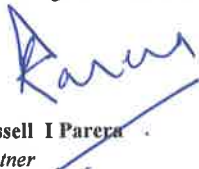
The accompanying notes are an integral part of these financial statements

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

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No. 012754N / N500016


Russell I Parera
Partner
Membership No: 42190

Place: Mumbai
Date: 02 May 2018

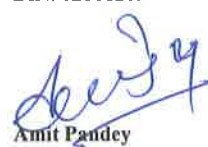
For and on behalf of the Board of Directors


S. Ranganathan
Executive Director
DIN: 00125493


Manjeet Bijlani
Chief Financial Officer

Place: Mumbai
Date: 02 May 2018


Ajay Manghania
Director
DIN: 02861202


Amit Pandey
Company Secretary

Edelweiss Finance & Investments Limited

Notes to the financial statements

1. *Background*

1.1 *Basis of preparation of financial statements*

Edelweiss Finance & Investments Limited ('the Company') is registered with the Reserve Bank of India ('RBI') as a Systemically Important Non Deposit Accepting Non Banking Financial Company (non-deposit accepting). The Company was incorporated on October 27, 1994, and is a subsidiary of Edelweiss Financial Services Limited.

The Company is primarily engaged in the business of trading and investing in government securities and fixed income securities.

1.2 *Basis of preparation of financial statements*

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

The Company being a NBFC registered with RBI, follows the guidelines issued by the RBI, in respect of income recognition, provisioning for non-performing assets and valuation of investments.

1.3 *Use of estimates*

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

1.4 *Current-non-current classification*

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

Assets

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

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (*Continued*)

1.4 *Current-non-current classification (Continued)*

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

All other assets are classified as non-current.

Liabilities

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

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

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

All other liabilities are classified as non-current.

1.5 *Revenue recognition*

- a) Fee income including advisory fees, syndication fees, processing fees and other fees is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- b) Income from treasury operations comprises of profit/loss on sale of securities and profit/loss on equity, commodity and interest rate derivative instruments.
 - i) Profit/loss on sale of securities is determined based on the weighted average cost of the securities sold and recognised on trade date.
 - ii) Realised profit/ loss on closed positions of all derivative instruments is recognised on final settlement on squaring-up of the contracts. All outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation models use observable market data as input parameters in order to ensure reliability of the fair value measure.
 - iii) In respect of interest rate derivatives, realised profit/loss on maturity/termination of contract is recognised as 'Profit/loss on interest rate derivatives' in the statement of profit and loss and the realised profit/loss on settlement during contract period is recognised as 'Interest on interest rate derivatives' in statement of profit and loss.
- c) Interest income is recognised on accrual basis. Interest income in case of lending business is recognised on accrual basis except in case of non- performing assets, wherein it is accounted on realisation as per RBI guidelines. In case of commercial papers, deep discount bonds and certificate of deposits, the difference between the acquisition cost and redemption value is amortised on time basis and recognised as interest income.
- d) Dividend income is recognised when the right to receive payment is established.
- e) Income from training centre is recognised on accrual basis.

1.6 *Cost of Benchmark linked debentures*

The Company issues 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



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

1.6 Cost of Benchmark linked debentures (Continued)

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.

1.7 Provisioning on receivables from financing business

Provision for non-performing assets is based on the management's assessment of the degree of impairment of the loan asset and the level of provisioning required as per the prudential norms prescribed by RBI.

Provisions against standard assets are made on the basis of prudential norms prescribed by RBI.

1.8 Fixed Assets and depreciation/ amortisation

Property, Plant and Equipment and Capital work in progress:

Property, Plant and Equipment (Fixed assets) are stated at cost less accumulated depreciation. The cost of fixed assets comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided on a written down value basis from the date the asset is ready to use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

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

Nature of assets	Useful Life
Building (other than Factory Building)	60 years
Plant and Machinery	15 years
Furniture and fittings	10 years
Motor Vehicles	8 years
Vessel	13 years
Office Equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years

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

Intangible fixed assets

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

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (*Continued*)

1.9 *Impairment of assets*

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset 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 profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.10 *Stock-in-trade*

- a) The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- b) The securities held as stock-in-trade are valued at lower of weighted average cost and market value. In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- c) Debt instruments are valued at lower of cost and fair value. In case of debt instruments for which direct quotes are not available, they are valued at the lowest of the quotes as on valuation date as provided by market intermediaries.
- d) Commercial papers, certificate of deposits and treasury bills are valued at carrying cost.

1.11 *Investments*

Investments are classified into long term investments and current investments. Investments which are intended to be held for one year or more are classified as long term investments and investments which are intended to be held for less than one year are classified as current investments.

Long term investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

1.12 *Employee benefits*

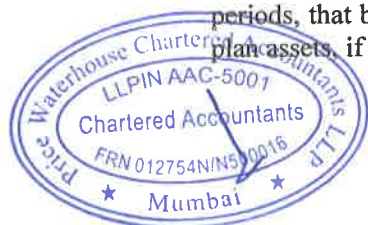
The accounting policy followed by the company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (revised 2005), is set out below:

Provident fund 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.



Edelweiss Finance & Investments Limited

Notes to the financial statements (*Continued*)

1.12 *Employee benefits (continued)*

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method.

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

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

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

Compensated absences

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

Deferred Bonus:

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

1.13 *Taxation*

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

Current tax

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

Deferred tax

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (*Continued*)

1.14 *Operating leases*

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

1.15 *Earnings per share*

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

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

1.16 *Borrowing Costs*

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Interest cost in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan.

1.17 *Cash and cash equivalents*

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

1.18 *Derivatives*

- 1 (a) Outstanding derivative contracts are measured at fair value as at each Balance Sheet date. Fair value of derivatives is determined using quoted market prices in an actively traded market for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases, the valuation techniques used as input parameters are observable market data in order to ensure reliability of the fair value measure.
- 1 (b) In accordance with ‘Guidance Note on Accounting for Derivative Contracts’ issued by the Institute of Chartered Accountants of India effective from 1 April 2016, the Company recognises all mark to market gains or losses on derivative contracts in the statement of profit and loss.
- 2 (a) “Margin – Equity Derivative Instrument” representing the initial margin paid and /or additional margin paid over and above the initial margin, for entering into contracts for equity index/ stock futures and equity index/ stock options, which are released on final settlement / squaring – up of the underlying contracts, are disclosed under other current assets. “Margin Deposits – Equity Derivative Instrument” representing the deposit paid in respect of mark to market margin is disclosed under other current assets.
- 2 (b) “Equity Index/ Stock Option Premium Account” represents the premium paid or received for buying or selling the options, respectively.



Edelweiss Finance & Investments Limited

Notes to the financial statements (*Continued*)

1.19 Provisions and contingencies

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

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

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

2.1 Share capital

Authorised:

4,16,20,000 (Previous year: 3,00,00,000) Equity Shares of Rs. 10 each
3,13,80,000 (Previous year: 70,00,00,000) Preference shares of Rs 10 each

As at
March 31, 2018

As at
March 31, 2017

Issued, Subscribed and Paid up:

3,435,332 (Previous year: 2,655,020) Equity Shares of Rs. 10 each, fully paid up
31,380,000 - 14.625% Cumulative Redeemable Preference Shares (Previous year :31,380,000) of Rs 10 each, fully paid up

416.20	30.00
313.80	700.00
730.00	730.00
34.35	26.55
313.80	313.80
348.15	340.35

Movement in share capital

Equity shares of Rs 10 each fully paid

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

March 31, 2018		March 31, 2017	
Number of shares	Amount	Number of shares	Amount
2,655,020	26.55	2,655,020	26.55
780,312	7.80	-	-
3,435,332	34.35	2,655,020	26.55

14.625% Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid

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

Number of shares	Amount	Number of shares	Amount
31,380,000	313.80	31,380,000	313.80
-	-	-	-
31,380,000	313.80	31,380,000	313.80

Equity shares held by holding / ultimate holding company

Particulars

Edelweiss Financial Services Limited (Holding company)*

As at March 31, 2018		As at March 31, 2017	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
3,435,332	100.00%	2,655,020	100.00%
3,435,332	100.00%	2,655,020	100.00%

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

Equity Shares of Rs 10 each fully paid

Edelweiss Financial Services Limited (Holding company)*

As at March 31, 2018		As at March 31, 2017	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
3,435,332	100.00%	2,655,020	100.00%
3,435,332	100.00%	2,655,020	100.00%

* including 6 shares held by Nominees of Edelweiss Financial Services Limited

Details of Cumulative Redeemable Preference Shares held by Preference Shareholders holding more than 5% of the aggregate Cumulative Redeemable Preference Shares in the Company

Particulars

Motilal Oswal Securities Limited

As at March 31, 2018		As at March 31, 2017	
Number of shares	Percentage shareholding	Number of shares	Percentage shareholding
-	-	3,264,500	10.40%
-	-	3,264,500	10.40%

Rights, preferences and restriction attached to equity shares:

The equity shares of the Company have a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share held.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year, the Company has declared and paid interim dividend of Rs. Nil per equity share (previous year : Rs. 210 per share).

Rights, preferences and restriction attached to cumulative redeemable preference shares

The Preference Shares of the face value of Rs. 10 each were issued at the rate of Rs. 15 per share. The Preference Shares were allotted on July 19, 2013. The Preference Shares are Cumulative and Redeemable. The Preference Shares carry a Cumulative dividend of 14.625%. The Preference Shares will be redeemed at a premium of Rs. 5 per preference share over the Face value together with the unpaid dividend till the date of redemption. The preference share will be compulsorily redeemed at the end of 10 years from the date of allotment.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

	As at March 31, 2018	As at March 31, 2017
2.2 Reserves and surplus		
Capital Redemption Reserve	9.71	9.71
Securities Premium Account	2,134.70	2,134.70
Less : Reduction on account of Demerger	1,657.71	-
Add: Issue of share capital	391.72	-
	<u>868.71</u>	<u>2,134.70</u>
Special Reserve under Section 45-IC of the Reserve Bank of India Act, 1934 ^{##}		
Opening balance	878.58	719.96
Addition during the year	42.46	158.62
	<u>921.04</u>	<u>878.58</u>
General Reserve	90.26	90.26
Surplus in statement of profit and loss		
Opening balance	228.05	319.86
Less: Profit after tax for FY 2016-17 transferred on demerger (refer note 2.58)	272.08	-
Add: Net profit for the year	212.26	793.11
Amount available for appropriation	<u>168.23</u>	<u>1,112.97</u>
Appropriations:		
Interim dividend on equity shares	-	557.55
Dividend distribution tax	9.34	122.85
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	42.45	158.62
Proposed dividend on preference shares	45.89	45.89
	<u>70.55</u>	<u>228.05</u>
	<u>1,960.27</u>	<u>3,341.31</u>

^{##} Represents reserve created @ 20% of the profit after tax for the year as per the provisions of section 45-IC of the Reserve Bank of India Act, 1934



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

	As at March 31, 2018	As at March 31, 2017
2.3 Long-term borrowings		
<u>Secured</u>		
Non-convertible redeemable debentures (refer note 2.34) (Secured by charge on immovable property and floating charge on loans and advances, stock-in-trade and corporate guarantee from holding company)	-	1,611.61
<u>Unsecured</u>		
Non-convertible redeemable debentures (refer note 2.33)	-	150.00
	-	1,761.61
2.4 Other non - current liabilities		
Interest accrued but not due on borrowings	-	262.32
	-	262.32
2.5 Long-term provisions		
Provision for employee benefits:		
Compensated leave absences	0.92	1.14
Deferred bonus	34.01	43.12
Provision for standard assets	-	2.99
Provision - Others	9.01	9.02
	43.94	56.27



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

	As at March 31, 2018	As at March 31, 2017
2.6 Short-term borrowings		
<u>Secured</u>		
Collateralised borrowing and lending obligation and Clearcorp repo order matching system	17,373.62	11,439.99
(Secured by pledge of investments in government securities)	17,373.62	11,439.99
<u>Unsecured</u>		
(Due within one year, unless otherwise stated)		
Loans from related parties (repayable on demand, at variable rate of interest)	169.17	433.39
Inter-corporate deposits	-	3.90
	17,542.79	11,877.28
2.7 Trade payables		
Payable to :		
- related parties	28.47	4.89
- others	5,078.38	269.03
(includes sundry creditors, provision for expenses and customer payables)		
	5,106.85	273.92



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

	As at March 31, 2018	As at March 31, 2017
2.8 Other current liabilities		
Current maturities of Long Term Debt		
Non-convertible debentures (refer note 2.34)	-	3,762.80
Interest accrued but not due on borrowings	26.91	770.84
Interest accrued and due on borrowings	-	0.01
Unclaimed dividends	0.39	0.39
Premium received on exchange traded options (including MTM)	-	2.44
Advances from customers	-	0.76
Other Payables		
Accrued salaries and benefits	39.07	98.49
Withholding taxes, goods & service tax and other taxes payable	14.92	24.46
Book overdraft	-	1.48
Retention money payable	-	5.26
Provision for capital expenditure	0.04	15.24
Others	3.59	3.60
Mark to market on interest rate swaps	-	15.02
	84.92	4,700.79

2.9 Short-term provisions

Provision for employee benefits		
Gratuity	0.18	0.25
Compensated absences	71.51	108.53
Deferred bonus		
Others		
Proposed dividend on preference shares	45.89	45.89
Provision for dividend distribution tax	9.34	9.34
Provision for standard assets	-	9.46
Provision for taxation (Net of advance tax Rs.778.16 million, previous year: Rs.620.13)	194.00	195.08
	320.92	368.55



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

2.10 Fixed assets

Description of Assets	Gross Block				Depreciation				Net Block	
	As at 1 April 2017	Additions during the year	Deductions during the year	Cost transferred on account of demerger	As at 31 March 2018	As at 1 April 2017	Charge for the year	Deductions during the year	Amount transferred on account of demerger	As at 31 March 2018
Property, Plant and Equipment										
Land	41.05	-	-	41.05	-	-	-	-	-	-
Building	196.99	-	-	195.51	1.48	58.63	0.06	-	58.41	0.29
Furniture and fixtures	30.48	-	-	30.48	(0.00)	26.26	-	-	26.26	-
Vehicles	21.31	1.63	4.62	-	18.32	13.52	2.65	3.41	-	12.76
Office equipment	0.96	0.16	0.71	-	0.41	0.81	0.11	0.69	-	0.22
Vessel (Boat)	6.96	-	-	6.96	-	5.90	-	-	5.90	-
Computers	5.59	2.83	0.39	1.58	6.44	4.27	1.23	0.36	1.53	3.61
Plant and equipments	28.19	-	0.02	28.17	-	17.51	-	-	17.51	-
Total : A	331.54	4.62	5.75	303.75	26.66	126.90	4.05	4.46	109.61	16.88
Intangible assets										
Computer software	3.60	4.16	-	0.35	7.41	2.30	0.75	-	0.35	2.70
Brands/trademarks	0.19	-	-	0.19	-	-	-	-	-	-
Total : B	3.79	4.16	-	0.54	7.41	2.30	0.75	-	0.35	2.70
Grand Total [A+B]	335.33	8.78	5.75	304.29	34.07	129.20	4.80	4.46	109.96	19.58
14.49										

* Amount is less than 0.01 million

Note:

- 1) There is no revaluation of assets during the year.
- 2) There are no adjustments on account of borrowing Cost



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

2.10 Fixed assets

Description of Assets	Gross Block			Depreciation			Net Block	
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 1 April 2016	Charge for the year	As at 31 March 2017	As at 31 March 2017
Property, Plant and Equipment								
Land	41.05	-	-	41.05	-	-	-	41.05
Building	196.99	-	-	196.99	51.35	7.28	58.63	138.36
Furniture and fixtures	30.48	-	-	30.48	24.28	1.97	26.26	4.22
Vehicles	22.60	-	1.29	21.31	10.28	3.78	13.51	7.80
Office equipment	0.88	0.08	0.01	0.95	0.73	0.08	0.80	0.15
Vessel (Boat)	6.96	-	-	6.96	5.62	0.28	5.90	1.06
Computers	5.13	1.19	0.74	5.58	3.49	1.44	4.27	1.31
Plant and equipments	27.69	0.51	-	28.20	15.02	2.49	17.51	10.69
Total : A	331.78	1.78	2.04	331.52	110.77	17.32	126.88	204.64
Intangible assets								
Computer software	2.87	0.72	-	3.59	1.54	0.75	2.29	1.30
Brands/trademarks	0.19	-	-	0.19	-	-	-	0.19
Total : B	3.06	0.72	-	3.78	1.54	0.75	2.29	1.49
Grand Total [A+B]	334.84	2.50	2.04	335.30	112.31	18.07	129.17	206.13



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

2.11 Non-current investments (At cost)

	As at March 31, 2018			As at March 31, 2017		
	Face value	Quantity	Amount	Face value	Quantity	Amount
I. Trade (quoted)						
Investments in equity instruments						
BSE Limited (Formerly known as Bombay Stock Exchange Limited)	-	-	-	1	298,000	109.28
II. Other investments (unquoted)						
EC Global Limited	-	-	-	USD 1	25,000	0.44
						0.44
Investments in equity instruments of other companies (fully paid up)						
Tamilnad Mercantile Bank Limited	-	-	-	10	36,072	1.74
The Catholic Syrian Bank Limited	-	-	-	10	1,913,452	431.60
Vini Cosmetics Private Limited	-	-	-	10	51,969	21.21
CL Educate Limited	-	-	-	10	119,904	-
Argus Cosmetics Limited ^{ss}	10	100,000	-	10	100,000	-
BL Industries Limited ^{ss}	10	127,100	-	10	127,100	-
Shri Karthik Papers Limited ^{ss}	10	20,600	-	10	20,600	-
Maxworth Limited ^{ss}	10	1,600	-	10	1,600	-
						454.55
Less : Provision for diminution in value of investments						(232.71)
						221.84
Investments in trust securities						
EARCL Trust SC 3	-	-	-	1,000	218,500	0.22
Edelweiss ARF-I Trust Scheme-1	-	-	-	1,000	56,728	46.99
Edelweiss ARF-I Trust Scheme-2	-	-	-	1,000	31,324	9.13
Edelweiss ARF-I Trust Scheme-3	-	-	-	1,000	43,899	0.04
Edelweiss ARF-I Trust Scheme-4	-	-	-	1,000	32,679	0.03
Edelweiss ARF-I Trust Scheme-5	-	-	-	1,000	35,370	0.04
EARC SAF -3 Trust - Series I	-	-	-	1,000	19,000	17.60
						74.05
Investments in warrants:						
Bharti Shipyard Limited (Rs 5.5 paid up)	-	-	-	10	2,647,313	14.56
AT InvoFin India Private Limited (Rs 2.50 paid up)	-	-	-	10	320,000	20.00
Less : Provision for diminution in value of investments						(20.00)
						14.56
Investments in Units of Venture Fund						
KAE Capital Fund (India)	-	-	-	100,000	50	5.00
KAE Capital Fund II (India)	-	-	-	100,000	444.33	43.33
Investments in preference shares of companies (fully paid up)						
0.01% Compulsorily Convertible Non-Cumulative Preference Shares of Arum Investment Private Limited	-	-	-	10	466,300	116.58
11% Non Cumulative Optionally convertible Preference shares of Edelweiss Broking Limited	-	-	-	10	374,000	374.00
Zero coupon Series D non-cumulative compulsorily convertible preference shares of Bright Lifecare Private Limited	-	-	-	7,664	5,219	40.00
						530.58
						999.08

^{ss} Represents shares held by the Company which have been written off in the earlier years.

Aggregate of Unquoted investments

- At carrying value

889.80

Aggregate of Quoted investments

- At carrying value

109.28

- At Market value

291.34

Aggregate provision for diminution in value of investments

252.71



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

2.12 Deferred tax

Deferred tax assets

Provision for standard assets	-
Provision for Diminution in Investment	-
Provision for compensated absences	0.38
Provision for deferred bonus	36.87
Provision for doubtful debts	-
Difference between book and tax depreciation	2.38
Disallowances under section 43B of the Income Tax Act, 1961	-
Unrealised Loss on derivatives	4.96

As at March 31, 2018	As at March 31, 2017
-	4.31
-	87.46
0.38	0.48
36.87	52.48
-	19.87
2.38	-
-	10.79
4.96	7.05
44.59	182.44

Deferred tax liabilities

Difference between book and tax depreciation	-
--	---

-	10.93
-	10.93

Deferred tax asset (net)

44.59	171.51
--------------	---------------



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

	As at March 31, 2018	As at March 31, 2017
2.13 Long-term loans and advances		
Receivable from financing business		
<u>Secured</u>		
- considered good	-	780.50
<u>Unsecured</u>		
- considered good	-	74.62
Other loans and advances		
Advance income taxes	437.77	181.37
Advance income taxes (Net of provision for tax Rs. 534.38 million, previous year: Rs. 1,310.06 million)		
	437.77	1,036.49
2.14 Other non-current assets		
(Unsecured considered good)		
Contribution to gratuity fund(net)	1.47	2.03
Long term deposits with banks (Refer note 2.32)	-	0.05
Accrued interest on fixed deposits *	-	0.00
Accrued interest on loans given	-	411.22
Other Assets	9.01	9.03
	10.48	422.33

* amount is less than 0.01 million



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

2.15 Current investments	As at March 31, 2018			As at March 31, 2017		
	face value	Quantity	Amount	face value	Quantity	Amount
I. Others (unquoted)						
Investments in mutual funds						
Birla Sun Life Saving Fund	-	-	-	100	22,571	2.28
Edelweiss Government Securities Fund-(Growth Option) (Regular Plan)	-	-	-	10	425,315	5.00
Birla Sun Life Government Securities Fund - Long Term Plan (Growth Option) (Regular Plan)	-	-	-	10	120,041	5.00
IDFC Government Securities Fund - Investment Plan (Growth Option) (Regular Plan)	-	-	-	10	300,243	5.00
						17.28
						17.28
Aggregate of Unquoted investments						
Mutual Fund						
- At carrying value			-			17.28
- At net asset value			-			19.93



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.16 Stock in trade

	Face Value	As at March 31, 2018 Quantity	Amount	Face Value	As at March 31, 2017 Quantity	Amount
Preference shares (quoted)						
7.50 % Redeemable Preference Shares - Vedanta Limited	10	419,512	4.44	-	-	-
6.00% Zee Entertainment Enterprises Limited 05.03.2022 Preference Shares Sr-I	8	3,000,000	24.32	-	-	-
(A)			28.76			-
Government Bonds (quoted)						
7.80% Government Stock 11.04.2021 Bonds	-	-	-	100	34,000,000	3,519.90
7.28% Government Stock 03.06.2019 Bonds	100	250,000	25.20	100	250,000	25.18
8.12% Government Stock 10.12.2020 Bonds	100	4,500,000	461.67	100	500,000	51.77
8.35% Government Stock 14.05.2022 Bonds	100	12,500,000	1,295.41	100	3,500,000	372.34
7.80% Government Stock 03.05.2020 Bonds	100	5,500,000	559.94	-	-	-
8.27% Government Stock 09.06.2020 Bonds	100	18,100,000	1,861.28	100	13,000,000	1,361.10
8.40% Government Stock 28.07.2024 Bonds	-	-	-	100	15,000,000	1,612.53
6.84% Government Stock 19.12.2022 Bonds	100	10,000,000	979.29	-	-	-
7.17% Government Stock 08.01.2028 Bonds	100	1,500,000	147.63	-	-	-
8.79% Government Stock 08.11.2021 Bonds	100	3,000,000	314.13	-	-	-
8.15% Bihar State Development Loan Government Stock 27.03.2028 Bonds	100	3,400	0.34	-	-	-
7.68% Government Stock 15.12.2023 Bonds	-	-	-	100	24,000,000	2,475.81
8.13% Government Stock 22.06.2045 Bonds	-	-	-	100	5,000,000	539.75
8.15% Government Stock 24.11.2026 Bonds	-	-	-	100	5,000,000	533.26
7.75% Rajasthan State Uday Government Stock 23.06.2018 Bonds	100	2,000,000	200.52	-	-	-
8.16% Karnataka State Development Loan Government Stock 26.11.2025 Bonds	100	12,000	1.22	-	-	-
8.28% Government Stock 21.09.2027 Bonds	100	428,000	43.71	-	-	-
8.08% Government Stock 02.08.2022 Bonds	100	3,500,000	358.77	100	500,000	52.75
8.54% Madhya Pradesh Government Stock 10.03.2020 Bonds	100	5,000,000	511.85	-	-	-
7.72% Government Stock 25.05.2025 Bonds	-	-	-	100	16,000,000	1,664.25
8.24% Tamilnadu Government Stock Uday 22.03.2028 Bonds	-	-	-	100	3,697,800	371.95
6.97% Government Stock 06.09.2026 Bonds	100	1,500,000	142.27	-	-	-
8.04% Tamilnadu Government Stock Uday 22.03.2029 Bonds	-	-	-	100	3,150,000	315.22
8.01% Tamilnadu Government Stock Uday 22.03.2030 Bonds	-	-	-	100	2,280,000	228.84
6.79% Government Stock 15.05.2027 Bonds	100	4,500,000	427.61	-	-	-
7.06% Government Stock 10.10.2046 Bonds	-	-	-	100	2,000,000	193.80
8.05% Tamilnadu Government Stock Uday 22.03.2031 Bonds	-	-	-	100	4,000,000	400.28
6.35% Government Stock 02.01.2020 Bonds	100	5,000,000	495.77	-	-	-
8.87% Uttar Pradesh Government Stock Uday Special 10.03.2028 Bonds	-	-	-	100	3,920,000	392.28
8.20% Government Stock 15.02.2022 Bonds	100	26,500,000	2,726.91	100	700,000	65.88
8.15% Government Stock 11.06.2022 Bonds	100	12,500,000	1,281.39	-	-	-
8.11% Andhra Pradesh State Government Stock 23.10.2018 Bonds	100	3,200,000	322.79	-	-	-
8.60% West Bengal State Government Stock 23.04.2018 Bonds	100	450,000	45.05	-	-	-
8.24% Government Stock 22.04.2018 Bonds	100	4,000,000	400.42	-	-	-
8.39% Rajasthan Government Stock Special 15.03.2019 Bonds	100	10,000,000	1,010.33	-	-	-
6.17% Government Stock 12.06.2023 Bonds	100	2,500,000	235.57	-	-	-
8.48% Andhra Pradesh State Development Loans 24.02.2020 Bonds	100	2,500,000	255.52	-	-	-
(B)			14,104.59			14,176.89
Debentures & Bonds (quoted)						
Group Company						
12.00% ECL Finance Limited 26.04.2020 NCD - Mth Cum	1,000	7	0.00	-	-	-
10.60% ECL Finance Limited 11.03.2020 NCD (Yearly Cumulative)	-	-	-	1,000	7,471	7.52
12.00% Ecl Finance Limited 26.04.2020 NCD - Yrly	1,000	90	0.09	-	-	-
10.60% Ecl Finance Limited 11.03.2020 NCD - Yrly Cum	1,000	25	0.03	-	-	-
10.00% ECL Finance Limited 11.03.2018 NCD (Monthly)	-	-	-	1,000	289	0.29
10.45% ECL Finance Limited 11.03.2018 NCD (Yearly)	-	-	-	1,000	8,052	8.14
10.45% ECL Finance Limited 11.03.2018 NCD (Yearly Cumulative)	-	-	-	1,000	2,085	2.12
10.00% Edelweiss Housing Finance Limited 19.07.2026 NCD	1,000	529	0.55	1,000	5,458	5.58
11.85% ECL Finance Limited 28.01.2019 NCD (Monthly Cumulative)	1,000	7	0.00	1,000	54,016	56.34
10.60% ECL Finance Limited 11.03.2020 NCD (Yearly)	-	-	-	1,000	315	0.31
11.25% Ecl Finance Limited 05.05.2025 NCD - Yrly	1,000,000	4	4.33	-	-	-
9.75% Edelweiss Retail Finance Limited Perpetual Bonds	1,000,000	1	1.00	-	-	-
8.75% Edelweiss Retail Finance Limited 22.03.2021 Bonds	1,000	1,000	0.99	-	-	-
(C)			6.99			80.30
Other Company(quoted)						
8.49% National Thermal Power Corporation Limited 25.03.2025 NCD	13	20,481	0.26	13	454,876	6.03
7.64% National Bank For Agriculture And Rural Development 23.03.2031 Bonds	-	-	-	1,000	5,967	6.56
7.11% Power Finance Corporation Limited 17.10.2025 Bonds	1,000	1,000	1.05	-	-	-
8.00% Industrial Finance Corporation Limited 31.01.2021 Bonds	-	-	-	5,000	166	0.87
7.34% Indian Railway Finance Corporation Limited 19.02.2028 Bonds	1,000	173	0.19	-	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.16 Stock in trade

	As at March 31, 2018			As at March 31, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
9.30% Dewan Housing Finance Corporation Limited 16.08.2026 Bonds	1,000	46,351	47.43	-	-	-
9.55% Canara Bank Perpetual Bonds	1,000,000	1	1.02	-	-	-
8.92% Power Finance Corporation Limited 16.11.2033 Bonds	1,000	3,566	4.43	-	-	-
9.37% IL&FS Transportation Networks Limited 29.10.2027 Bonds	1,000,000	1	0.99	-	-	-
9.14% Kudgi Transmission Limited 25.04.2031 Ncd	1,000,000	20	20.40	-	-	-
9.15% Dewan Housing Finance Corporation Limited 20.09.2019 Ncd	1,000,000	8	8.12	-	-	-
9.70% Mahindra & Mahindra Financial Services Limited 24.04.2023 Ncd	1,000,000	2	2.10	-	-	-
8.63% Rural Electrification Corporation Limited 24.03.2029 Ncd	1,000	1,000	1.19	-	-	-
11.40% The Tata Power Company Limited Perpetual 02.06.2099 Ncd	1,000,000	13	13.99	-	-	-
8.80% Steel Authority Of India Limited 22.06.2019 Bonds	1,000,000	4	4.04	-	-	-
9.80% Larsen And Toubro Infrastructure Finance Company Limited 16.01.2019 Ncd	2,500,000	1	2.55	-	-	-
7.60% Power Finance Corporation Limited 17.10.2035 Ncd	1,000	70	0.08	-	-	-
10.70% Dewan Housing Finance Limited 10.06.2021 Bonds	1,000,000	2	2.10	-	-	-
9.85% Dewan Housing Finance Corporation Limited Perpetual Bonds	1,000,000	50	50.00	-	-	-
8.71% Rural Electrification Corporation Limited 24.09.2028 Bonds	1,000	3,000	3.51	-	-	-
9.75% Srei Equipment Finance Limited 17.01.2022 Bonds	-	-	-	1,000	266	0.26
8.93% National Housing Bank 24.03.2029 Bonds	-	-	-	5,000	717	4.31
0% Srei Equipment Finance Limited 21.02.2018 NCD	-	-	-	1,000	1,000	1.00
7.85% The Industrial Finance Corporation Limited 15.09.2020 NCD	-	-	-	5,000	29	0.16
11.50% Tata Steel Limited Perpetual 11.05.2021 NCD	-	-	-	1,000,000	2	2.17
8.45% Indiabulls Commercial Credit Limited 05.01.2028 Bonds	100,000	465	44.84	-	-	-
8.20% National Highways Authority Of India 25.01.2022 Bonds	-	-	-	1,000	10,102	10.87
7.60% National Highway Authority Of India 11.01.2031 Bonds	-	-	-	1,000	6,001	6.67
9.00% Mahindra And Mahindra Financial Services Limited 06.06.2026 Bonds	-	-	-	1,000	10,552	10.81
9.25% Dewan Housing Finance Corporation Limited 09.09.2023 NCD	1,000	11,325	11.48	1,000	13,538	13.48
8.20% Housing Development Finance Corporation Bank Limited 29.07.2021 Bonds	10,000,000	5	50.46	10,000,000	5	50.58
9.10% Dewan Housing Finance Corporation Limited 16.08.2019 NCD	1,000	476	0.48	1,000	1,047	1.05
7.80% Housing Development Finance Corporation Limited 11.11.2019 Bonds	-	-	-	10,000,000	5	50.41
8.75% National Highways Authority Of India 05.02.2029 Bonds	-	-	-	1,000	4,402	5.22
7.65% Bajaj Finance Limited 21.10.2021 NCD	-	-	-	1,000,000	50	49.94
8.01% Tata Sons Limited 02.09.2021 Bonds	1,000,000	100	101.65	1,000,000	100	101.65
8.62% Rural Electrification Corporation Limited 09.09.2033 Bonds	-	-	-	1,000	300	0.37
9.40% Reliance Home Finance Limited 03.01.2032 Bonds	-	-	-	1,000	400	0.40
8.90% Aditya Birla Finance Limited 20.11.2026	-	-	-	1,000,000	1	1.01
8.75% Muthoot Finance Limited 30.01.2019 Bonds	-	-	-	1,000	340	0.33
9.00% Muthoot Finance Limited 30.01.2020 Bonds	-	-	-	1,000	1,986	1.98
(D)			372.36			326.13
Equity(quoted)						
Hindustan Zinc Limited	-	-	-	289	1,353,600	390.92
Power Finance Corporation Limited	-	-	-	145	1,218,000	176.54
(E)			-			567.46
Credit Substitute(quoted)						
14.00% Parinee Realty Private Limited 15.01.2021 NCD	-	-	-	500,000	200	100.00
Credit Substitute(unquoted)						
6.25% Avantha Holdings Limited 28.07.2018 Ncd	-	-	-	10,000,000	40	400.00
9.00% Gonibedu Coffee Estate Private Limited 14.05.2017 NCD	-	-	-	10,000,000	43	430.00
12.25% Sprit Textiles Private Limited 21.09.2018 NCD	-	-	-	10,000,000	42	420.00
18.50% Manyata Developers Private Limited 30.06.2020 NCD	-	-	-	1,000,000	450	450.00
5.00% New Media Broadcasting Private Limited 18.02.2021 NCD	-	-	-	1,000,000	400	400.00
(F)			-			2,200.00
Total	(A+B+C+D+E+F)		14,512.70			17,350.78
Aggregate of quoted stock in trade in preference Shares						
- At carrying value			28.76			-
- Market value			28.76			-
Aggregate of quoted equity shares						
- At carrying value			-			567.46
- Market value			-			568.63
Aggregate of quoted stock in trade in debentures and bonds						
- At carrying value			14,483.94			16,783.32
- Market value			14,511.28			16,841.97

* amount less than 0.01 millions is coming as 0.00 million



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

2.17 Trade receivables

Debtors outstanding for a period exceeding six months

Unsecured, considered doubtful

Less: Provision for doubtful debts

Other debts

Unsecured, considered good

Trade receivables from related parties(considered good)

As at
March 31, 2018

As at
March 31, 2017

-	57.40
-	57.40
-	-
9,615.36	495.08
95.29	111.70
9,710.65	606.78

2.18 Cash and bank balances

Cash and cash equivalents

Cash in hand

Balances with banks

- in current accounts

Other banks balances

- Short term deposits with banks (refer note 2.32)

(Other bank deposits with maturity less than 12 months)

0.01	0.22
152.95	744.81
152.96	745.03
50.00	50.00
202.96	795.03



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

	As at March 31, 2018	As at March 31, 2017
2.19 Short-term loans and advances		
Receivable from financing business		
<u>Secured</u>		
- considered good	-	459.35
- considered non performing asset	-	-
<u>Unsecured</u>		
- considered good	-	31.20
- considered non performing asset	-	-
Other loans and advances		
(Unsecured considered good)		
Loan given to partnership firm		
Deposits placed with exchange/ depositories	112.40	40.80
Deposits- others	0.82	0.98
Prepaid expenses	1.85	2.01
Loans and advances to employees	0.38	0.10
Vendor advances	1.32	6.61
Input tax credit	11.67	1.59
MAT credit entitlement	6.47	-
Advances recoverable in cash or in kind or for value to be received	-	0.01
	134.91	52.10
	134.91	542.65
2.20 Other current assets		
(Unsecured considered good)		
Accrued interest on fixed deposits*	0.02	0.00
Accrued interest on debt instruments	291.35	594.76
Accrued interest on loans given	-	13.19
Accrued interest on margin	0.69	0.14
Mark to Market on interest rate swap	5.72	-
Margin Deposit with Counter Party-for derivatives	14.60	16.18
Premium paid on outstanding exchange traded options	-	40.97
Margin placed with broker	26.91	122.16
Others	-	46.94
	339.29	834.34

*Amount is less than 0.01 millions



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

For the year ended
March 31, 2018

For the year ended
March 31, 2017

2.21 Fee and commission income

Processing and other fees	-	144.91
	-	144.91

2.22 Income from treasury and investments

Profit on trading of securities (net)	(250.11)	849.93
Profit on trading in equity derivative instruments (net)	37.87	131.12
Profit/(loss) on interest rate derivatives (net)	137.73	(2.86)
Profit/(loss) on sale of Current Investment	-	33.24
Interest on interest rate derivatives	(4.39)	(20.68)
Profit on sale of non current investments	25.60	6.35
Dividend on investments	0.72	54.32
Cost of benchmark linked debentures	-	(793.04)
	(52.58)	258.38

2.23 Interest Income

On loans and credit substitute	-	1,598.69
On fixed deposits	3.40	4.04
On debt instruments	1,578.25	975.04
On margin with brokers	3.61	7.39
On collateralised borrowing and lending obligation	2.98	8.42
On others	6.84	21.25
	1,595.08	2,614.83

2.24 Other income

Income from training centre	-	35.46
Profit on sale of fixed assets (net)	-	0.20
Miscellaneous income	-	0.27
	-	35.93



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

	For the year ended March 31, 2018	For the year ended 31 March 2017
2.25 Employee benefit expenses		
Salaries, wages and bonus (refer note 2.62)	120.12	379.67
Contribution to provident and other funds (Refer note 2.31)	4.92	6.32
Staff welfare expenses	2.55	6.52
	127.59	392.51
2.26 Finance costs		
Interest on debentures	-	177.22
Interest on sub debt	-	16.49
Interest on bank overdraft	0.54	0.08
Interest on loan from holding company	-	0.69
Interest on loan from fellow subsidiaries	222.13	217.94
Interest on collateralised borrowing and lending obligation	337.01	535.43
Interest on clearcorp repo order matching system	705.19	6.00
Collateralised borrowing and lending obligation charges	29.48	4.27
Interest on inter-corporate deposits	-	0.21
Interest on shortfall in payment of advance income tax	-	9.14
Discount on commercial paper	-	156.29
Financial and bank charges	3.88	9.82
Interest - others*	0.07	0.00
	1,298.30	1,133.59

*Amount is less than 0.01 millions



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

For the year ended
March 31, 2018

For the year ended
March 31, 2017

2.27 Other expenses

Advertisement and business promotion	0.14	1.18
Auditors' remuneration (refer below)	2.02	2.68
Commission and brokerage	0.47	1.71
Communication	1.84	3.18
Computer expenses	0.25	0.30
Computer software expenses	1.79	1.04
Clearing and custodian charges	1.23	2.57
Dematerialisation charges	0.07	0.24
Diminution in value of Investments	-	212.71
Directors' sitting fees	0.50	0.48
Corporate social responsibility -Donation (Refer note 2.76)	4.02	3.50
Electricity charges	1.31	8.99
Foreign exchange loss (net)*	0.00	0.01
Insurance	0.08	-
Loss on sale of fixed assets	0.01	-
Legal and professional fees	35.27	17.48
Membership and subscription*	0.00	0.14
Office expenses	0.03	-
Printing and stationery	0.18	0.30
Provision for standard assets / (written back)	-	(11.55)
Provision for doubtful debts / (written back)	-	(1.43)
Rates and taxes	7.49	8.11
Rating support fees	0.26	10.20
Rent (Refer note 2.62)	12.35	17.37
Repairs and maintenance	0.17	2.74
Security transaction tax	0.04	3.52
Seminar & conference	0.05	0.08
Stamp duty	3.07	0.62
Stock exchange expenses	0.26	0.31
Travelling and conveyance	5.89	5.57
Miscellaneous expenses	0.33	35.92
	79.12	327.97

Auditors' remuneration:

As auditors	1.95	2.52
For reimbursement of expenses	0.07	0.16
	2.02	2.68

* Amount is less than 0.01 million



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.28 Segment reporting

Primary Segment (Business segment)

For Financial Year 2017-18

The Company's main business is a capital based business which includes trading and dealing in Government securities ("G-Sec") and fixed income securities. All other activities revolve around the main business. Further, all activities are carried out within India. As such, there are no separate reportable segments as per the pronouncements of Accounting Standard (AS) 17 on 'Segment Reporting'. Hence the financial results and financial position of the Company pertains to one business segment.

For Financial Year 2016-17

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

Segment	Activities covered
Capital based business	Income from treasury operations, derivatives, income from investments and dividend income
Agency business	Advisory services
Financing business	Wholesale financing and Retail financing

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

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

Secondary Segment

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

The following table gives information as required under the Accounting Standard -17 on Segment Reporting:

Particulars	As at/ For the year ended 31 March 2017
I Segment Revenue	
a) Capital based business	1,512.18
b) Agency business	64.45
c) Financing business	1,441.44
d) Unallocated	35.98
Total Income	3,054.04
II Segment Results	
a) Capital based business	117.18
b) Agency business	58.70
c) Financing business	1,046.62
d) Unallocated	(40.59)
Profit before taxation	1,181.92
Less : Provision for taxation	388.80
Profit after taxation	793.12
III Segment Assets	
a) Capital based business	17,772.90
b) Agency business	61.90
c) Financing business	4,573.01
d) Unallocated	574.59
Total	22,982.40
IV Segment Liabilities	
a) Capital based business	16,283.31
b) Agency business	4.45
c) Financing business	2,692.33
d) Unallocated	320.65
Total	19,300.74
V Capital Expenditure	
a) Capital based business	0.98
b) Agency business	0.04
c) Financing business	0.95
d) Unallocated	0.18
Total	2.15
VI Depreciation and amortisation	
a) Capital based business	3.76
b) Agency business	0.10
c) Financing business	6.50
d) Unallocated	7.72
Total	18.08
VII Non-Cash expenditure other than depreciation and amortisation	
a) Capital based business	212.71
b) Agency business	(1.43)
c) Financing business	(11.55)
Total	199.73



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in millions)

2.29 Disclosure of related parties as required under AS-18 - "Related Party Disclosures"

i. List of related parties and relationship:	
Relationship	Name of related parties
Holding Company	Edelweiss Financial Services Limited
Subsidiary Company	EC Global Limited (upto 11th April 2017)
Fellow Subsidiaries	Edel Investments Limited EFSL Commodities Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Housing Finance Limited Arum Investments Pvt. Limited Auris Corporate Centre Limited Burlington Business Solutions Limited Ecap Equities Limited ECL Finance Limited Edel Land Limited Edelcap Securities Limited EdelGive Foundation Edelweiss Asset Management Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Broking Limited Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited) Edelweiss Capital Markets Limited Edelweiss Commodities Services Limited Edelweiss Custodial Services Limited Edelweiss Finvest Private Limited(Formerly known as Arum Investments Private limited) Edelweiss Retail Finance Limited Edelweiss Securities Limited Edelweiss Tokio Life Insurance Company Limited EFSL Trading Limited (Formerly EFSL Commodities Limited) Eternity Business Centre Limited Edelweiss General Insurance Limited EW Clover Scheme I
Key Management Personnel	Venkat Ramaswamy

Note: The above list contain name of only those related parties with whom the Company has undertaken transactions in current or previous year.

ii. Transactions with related parties :			
Nature of Transactions	Related Party Name	2018	2017
A. Capital account transactions			
Sale of Equity Share of	Edelweiss Finvest Private Limited(Formerly known as Arum Investments Private limited)	-	181.61
Sale of equity shares	EC International Limited	26.04	-
Preference Shares transferred on demerger	Edelweiss Finvest Private Limited(Formerly known as Arum Investments Private limited)	490.58	-
Redemption of Benchmark linked Debentures	Ecap Equities Limited	-	827.50
B Current account transactions			
Loans taken from (Refer Note 2)	Edelweiss Finvest Private Limited(Formerly known as Arum Investments Private limited)	648.84	-
	Edelweiss Commodities Services Limited	19,252.30	10,925.01
Loan repaid to (Refer Note 2)	Edelweiss Financial Services Limited	-	123.41
	Edelweiss Commodities Services Limited	19,516.51	10,502.52
	Edelweiss Finvest Private Limited(Formerly known as Arum Investments Private limited)	648.84	-
Loans given to (Refer Note 2)	Edelweiss Commodities Services Limited	-	900.00
	EW Clover Scheme I	-	450.00
	ECL Finance Limited	-	450.00
	Ecap Equities Limited	-	450.00
	Edelcap Securities Limited	-	450.00
Repayment of loans by (Refer Note 2)	Edelweiss Commodities Services Limited	-	900.00
	EW Clover Scheme I	-	450.00
	ECL Finance Limited	-	450.00
	Ecap Equities Limited	-	450.00
	Edelcap Securities Limited	-	450.00
C Secondary market transactions			
Purchases of securities (Stock in trade) from	ECL Finance Limited	5,915.17	11,094.33
	Edelweiss Commodities Services Limited	4,262.38	9,311.46
	Ecap Equities Limited	428.46	105.07



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in millions)

2.29 Disclosure of related parties as required under AS-18 - "Related Party Disclosures" (Continued)

Nature of Transactions	Related Party Name	2018	2017
Purchases of securities (Stock in trade) from (Continued)	Edelweiss Tokio Life Insurance Company Limited	196.48	2,262.82
	Edelweiss Finvest Private Limited(Formerly known as Arum Investments Private limited)	668.81	-
	Edelcap Securities Limited	-	251.53
Sale of securities (Stock in trade) to	ECL Finance Limited	8,549.20	2,570.84
	Edelweiss Commodities Services Limited	657.19	4,379.63
	Edelweiss Securities Limited	753.66	960.94
	Edelweiss Tokio Life Insurance Company Limited	50.45	978.78
	ECap Equities Limited	0.26	23.27
	Edelweiss Broking Limited	112.67	9.38
	Edelweiss Finvest Private Limited(Formerly known as Arum Investments Private limited)	480.15	-
	Edelweiss General Insurance Limited	237.59	-
Margin placed with (Refer Note 2)	Edelweiss Securities Limited	-	427.16
	Edelweiss Custodial Services Limited	51.92	135.49
	Edel Investments Limited	0.67	-
Margin refund received from (Refer Note 2)	Edelweiss Securities Limited	0.97	621.80
	Edelweiss Custodial Services Limited	0.67	14.46
	Edel Investments Limited	57.31	-
Amount paid to Broker for trading in cash segment	Edelweiss Securities Limited	209.19	278.61
Amount received from Broker for trading in cash segment	Edelweiss Securities Limited	320.31	124.11
D Other transactions			
Interest Income on loan given to	Edelweiss Commodities Services Limited	-	49.33
	EW Clover Scheme 1	-	5.76
	Edelcap Securities Limited	-	0.86
	ECap Equities Limited	-	0.89
	ECL Finance Limited	-	0.86
Interest Expense on loan taken from	Edelweiss Financial Services Limited	-	0.69
	Edelweiss Finvest Private Limited	119.97	-
	Edelweiss Commodities Services Limited	102.15	217.94
Interest Expense on benchmark linked debentures to	ECap Equities Limited	-	66.45
Interest expense on subordinate debt issued to	Edelweiss Tokio Life Insurance Company Limited	-	16.49
Interest received on debt instruments from	ECL Finance Limited	5.41	17.67
Interest received on margin placed with brokers	Edelweiss Securities Limited	0.02	2.17
	Edelweiss Custodial Services Limited	3.49	0.22
Dividend paid to	Edelweiss Financial Services Limited	-	557.55
Reimbursement paid to	Edelweiss Commodities Services Limited	1.13	42.02
	Edelweiss Financial Services Limited	-	54.92
Cost reimbursement paid to	Edelweiss Financial Services Limited	0.62	2.25
	Edelweiss Commodities Services Limited	12.97	18.11
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	26.32	168.66
	Edelweiss Broking Ltd	0.46	0.45
	Eternity Business Centre Limited	-	1.47
	ECL Finance Limited	0.01	-
	ECap Equities Limited	0.18	-
	Auris Corporate Centre Limited	0.01	-
	Burlington Business Solutions Limited	0.12	-
Corporate Guarantee support fee	Edelweiss Financial Services Limited	2.55	-
Rating support fees paid to	Edelweiss Financial Services Limited	0.26	10.20
Clearing charges and Stamp duty paid to	Edelweiss Securities Limited	0.18	0.19
Commission and brokerage paid to	Edelweiss Securities Limited	0.02	0.16
Donation given to	EdelGive Foundation	4.02	2.50
Remuneration paid to (refer Note 3)	Venkat Ramaswamy	58.88	47.12
E Balances with related parties			
Liabilities			
Subordinated debt	Edelweiss Tokio Life Insurance Company Limited	-	150.00
Interest expense accrued and due on borrowings	Edelweiss Commodities Services Limited	-	0.01
	Edelweiss Finvest Private Limited(Formerly known as Arum Investments Private limited)	26.91	-
Interest expense accrued but not due on subordinated debt	Edelweiss Tokio Life Insurance Company Limited	-	11.12



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in millions)

2.29 Disclosure of related parties as required under AS-18 - "Related Party Disclosures" (Continued)

Nature of Transactions	Related Party Name	2018	2017
Corporate guarantee taken from	Edelweiss Financial Services Limited	1,243.54	6,921.20
Trade payables to	Edelweiss Financial Services Limited	3.16	0.41
	Edelweiss Securities Limited	-	0.25
	Edelweiss Commodities Services Limited	3.82	-
	ECL Finance Limited	-	0.53
	Edelweiss Business Services Limited (Formerly known as Edelweiss Web Services Limited)	15.01	0.16
	Edelweiss Broking Limited	0.50	0.45
	ECap Equities Limited	-	0.55
	Edelcap Securities Limited	-	0.13
	Edelweiss Custodial Services Limited	-	0.87
	Edelweiss Capital Markets Limited	-	0.52
		-	1.00
	EFSL Trading Limited (Formerly EFSL Commodities Limited)	-	-
	Edelweiss Retail Finance Limited	-	0.03
	Edelweiss Alternative Asset Advisors Limited	5.32	-
	Edelweiss Finvest Private Limited(Formerly known as Arum Investments Private limited)	0.53	-
	Edel Investments Limited	0.11	-
	EFSL Commodities Limited	0.01	-
	Edelweiss Asset Reconstruction Company Limited	0.01	-
Unsecured loan taken from	Edelweiss Financial Services Limited ^	-	0.00
	Edelweiss Commodities Services Limited	169.17	433.39
Assets			
Investment in preference shares of	Edelweiss Finvest Private Limited(Formerly known as Arum Investments Private limited)	-	116.58
	Edelweiss Broking Limited	-	374.00
Investment in Stock in trade (Debentures) of	ECL Finance Limited	4.45	74.72
	Edelweiss Housing Finance Limited	0.55	5.58
	Edelweiss Retail Finance Limited	1.98	-
Investment in Equity share capital	EC Global Limited	-	0.44
Accrued interest income on debentures of	Edelweiss Financial Services Limited	-	3.98
	ECL Finance Limited	0.14	14.61
	Edelweiss Housing Finance Limited	0.04	6.53
	Edelweiss Retail Finance Limited	0.03	-
Trade Receivables	ECL Finance Limited	-	1.00
	Edelweiss Securities Limited	89.67	107.82
	Edelweiss Financial Services Limited	-	1.05
	ECap Equities Limited	-	0.21
	EFSL Trading Limited (Formerly EFSL Commodities Limited)	-	1.58
	Edelweiss Custodial Services Limited	0.16	0.04
	Edel Land Limited	5.47	-
Other current assets			
Margin placed with broker	Edelweiss Securities Limited	4.68	1.12
	Edelweiss Custodial Services Limited	22.23	121.03

^ - less than Rs. 0.01 million

Note:

Note 1 : Previous year's figures have been recast/restated where necessary.

Note 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.

Note 3 : Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and provision made for bonus which are provided for group of employees on an overall basis. These are included on cash basis.

Note 4 : Loan given to subsidiaries and fellow subsidiaries are for general corporate business.

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

- a Nil (Previous year: Nil) due from Edelweiss Financial Services Limited (maximum amount due at any time during the year Nil million; Previous year: Rs. 123.41 million)



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.30 Earnings per share

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

	2018	2017
a) Profit for the year (as per statement of profit and loss)	212.26	793.11
Less: Preference dividend on cumulative preference share capital	45.89	45.89
Less : Dividend Distribution Tax on above preference dividend	9.34	9.34
Profit attributable to Equity Shareholders	157.03	737.88
b) Calculation of weighted average number of Equity Shares of Rs 10 each:		
- Number of equity shares outstanding at the beginning of the year	2.66	2.66
- Number of equity shares issued during the year	0.78	-
Total number of equity shares outstanding at the end of the year	3.44	2.66
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	3.06	2.66
c) Basic and diluted earnings per share (in rupees) (a / b)	51.37	277.92

The basic and diluted earnings per share are the same as there are no dilutive potential equity shares issued or outstanding as at the year ended 31 March 2018.

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

A) Defined contribution plan (Provident fund and National Pension Scheme):

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

Amount of **Rs 3.33** million (previous year: Rs 6.19 million) is recognised as expenses and included in "Employee Benefits Expense".

B) Defined benefit plan (Gratuity)

The following tables summarize the components of the net benefit expenses recognized in the statement profit and loss, the funded status and amounts recognized in the balance sheet for the gratuity benefit plan.

Statement of profit and loss

Expenses recognised in the Profit and Loss Account

	2018	2017
Current service cost	1.10	1.41
Interest on defined benefit obligation	0.37	0.46
Past Service Cost	1.23	0.00
Expected return on plan assets	(0.57)	(0.56)
Actuarial (gain)/losses	(0.48)	(1.19)
Employer expense	1.65	0.12

Balance Sheet

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

	2018	2017
Present value of DBO at start of year	6.45	8.37
Employee transfer in / out adjustment	(1.08)	(2.14)
Current service cost	1.10	1.41
Interest cost	0.37	0.46
Benefit paid	(0.24)	(0.96)
Past Service Cost	1.23	-
Actuarial (gain)/loss on obligations	(0.35)	(0.69)
Present value of DBO at end of year	7.48	6.45



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

Reconciliation of Fair Value of Plan Assets

Fair value of plan assets at the beginning of the year	8.48	8.38
Expected Return on Plan Asset	0.57	0.56
Contributions by Employer	0.00	-
Benefits paid	(0.24)	-0.96
Actuarial (loss)/Gain	0.13	0.50
Fair value of plan assets at the end of the year	8.94	8.48

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

Net Liability / (Asset) recognised in Balance Sheet

Particulars	As at 31 March,				
	2018	2017	2016	2015	2014
Present value of DBO	7.48	6.45	8.37	6.72	6.67
Fair value of plan assets	8.94	8.48	8.38	7.21	4.21
Net (Assets) / Liability	1.46	2.03	(0.45)	0.48	(2.46)

Experience Adjustments:

Particulars	As at 31 March,				
	2018	2017	2016	2015	2014
-On Plan Liabilities: (Gain)/ Loss	(0.14)	(0.85)	1.01	0.19	0.76
-On Plan Assets: Gain/ (Loss)	0.08	0.47	(0.14)	0.84	0.22
Estimated Contribution for next year	-	-	-	-	2.50

Principle actuarial assumptions at the balance sheet date:

	2018	2017
Discount rate	7.30%	6.80%
Salary Growth Rate	7%	7%
Withdrawal / Attrition Rate (based on categories)	13%-25%	13%-25%
Expected return on Plan Assets	6.80%	7.40%
Mortality rate	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working lives of employee	5.00	5.03

2.32 Encumbrances' on fixed deposits held by the Company

- i) The Collector of Raigad, Alibagh state excise department: Nil million (Previous year: Rs. 0.05 million) for license.
- ii) Ratnakar Bank: Rs. 50.00 million (Previous year: Rs. 50.00 million) against Overdraft facility.

2.33 Details of unsecured debentures issued

Details of the unsecured Debentures issued as at 31 March 2018 - Nil

Details of the unsecured Debentures issued as at 31 March 2017

Interest rate range	11%
July-25	150.00



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.34 Details of secured debentures issued

Details of the Secured Debentures issued as at 31 March 2018 - Nil

Details of the Secured Debentures issued as at 31 March 2017

Interest rate range	10% to 11%	Benchmark linked debentures
March-18	1,500.00	-
March-22	-	3.00
February-22	-	5.00
September-20	-	10.00
January-20	-	168.11
October-19	-	57.00
September-19	-	59.90
August-19	-	42.60
July-19	-	173.50
June-19	-	28.00
May-19	-	70.40
April-19	-	113.10
March-19	-	73.50
February-19	-	47.50
January-19	-	80.20
December-18	-	32.50
November-18	-	28.50
October-18	-	98.00
September-18	-	101.80
August-18	-	86.70
July-18	-	104.00
June-18	-	79.00
May-18	-	88.30
April-18	-	61.00
March-18	-	546.50
February-18	-	121.00
January-18	-	94.10
December-17	-	180.00
November-17	-	61.50
October-17	-	660.20
September-17	-	243.00
August-17	-	108.00
July-17	-	25.00
June-17	-	18.00
May-17	-	106.00
April-17	-	99.50
Total	1,500.00	3874.41



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.35 Open interest in interest rate derivatives:

As at 31 March 2018

Benchmark	Notional principal	Terms	Purpose
MIBOR	14,500	Pay fixed Vs. receive floating	Hedging

As at 31 March 2017

Benchmark	Notional principal	Terms	Purpose
MIBOR	550	Pay fixed Vs. receive floating	Hedging

2.36 Open interest in equity index/ stock futures as at 31 March 2018- Nil

Open interest in equity index/ stock futures as at 31 March 2017

Open interest in equity stock futures

	Long Position		Short Position	
Maturity grouping	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	-	-	626	2,571,600.00

Open interest in equity index future

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	692	51,900	-	-
	1-2 months	367	27,525	-	-

2.37 Option equity index/ stock contracts outstanding as at 31 March 2018

Option Type	Premium Paid (Net of provision made)	Premium Received (Net of provision made)
Equity Index	Nil	Nil

Option equity index/ stock contracts outstanding as at 31 March 2017

Option Type	Premium Paid (Net of provision made)	Premium Received (Net of provision made)
Equity Index	40.97	2.44

2.38 Open interest rate futures as at 31 March 2018 with exchange

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	-	-	2,722.00	5,444,000.00
1-2 months	-	-	-	-
2-3 months	-	-	-	-
3-6 months	-	-	-	-
6-12 months	-	-	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.39 Foreign currency

The Company has not undertaken any foreign currency transaction during the year ended 31 March 2018 (Previous year: Rs Nil).

2.40 Contingent liability and commitments

Contingent liability

Taxation matters of Assessment year 2009-10 and Assessment year 2013-14 in respect of which appeal is pending – **Rs.0.60 millions** (Previous year: Rs. 0.60 million).

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with Income Tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The Company believes that the outcome of these proceedings will not have a materially adverse effect on the Company's financial position and results of operations.

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 favorable 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.

Commitments

- Uncalled liabilities on non-current investments **Rs. Nil** as at balance sheet date (Previous year: Rs. 21.67 million).
- Estimated amount of contracts remaining to be executed on capital account and not provided for **Rs. 3.98 million** (Previous year: Rs. 0.06 million) as at the balance sheet date.
- Undrawn committed credit lines **Rs Nil** as at balance sheet date (Previous year: Rs. 212.94 million).

2.41 Details of purchase, sale and change in stock in trade

Particular	2018	2017
Opening stock		
Equity shares	567.46	-
Preference shares	-	0.85
Mutual Funds	-	-
Debt instruments	16,783.32	27,311.19
Total	17,350.78	27,312.04
Purchase		
Equity shares	-	726.53
Preference shares	782.59	809.31
Mutual Funds	-	55,250.00
Debt instruments	1,166,172.92	231,003.84
Total	1,166,955.51	287,789.68
Sale/transfer		
Equity shares	567.46	118.21
Preference shares	758.42	820.35
Mutual Funds	-	55,269.31
Debt instruments	1,168,217.61	242,393.00
Total	1,169,543.49	298,600.87
Closing stock		
Equity shares	-	567.46
Preference shares	28.76	-
Mutual Funds	-	-
Debt instruments	14,483.94	16,783.32
Total	14,512.70	17,350.78
Profit/(Loss) on sale of securities	(250.11)	849.93



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.42 Key Ratios

The Following table sets forth, for the periods indicated, the key financial ratios.

Particulars	2018	2017
Gross NPAs as a percentage of Total Loans and advances	0.00%	0.00%
Net NPAs as a percentage of Total Loans and advances	0.00%	0.00%
Book Value per share (Rs.) (refer note 1 below)	521.96	1,144.79
Current Ratio (refer note 2 below)	1.08	1.17
Debt to Equity Ratio (refer note 3 below)	10.05	5.88
Return on average Equity (%) (refer note 4 below)	8.78%	26.23%
Return on average assets (%) (refer note 5 below)	0.88%	2.58%

- 1 Book Value per share = (Equity Share Capital (+) Reserves and Surplus (-) Redemption premium on Preference Shares (-) Deferred Tax Assets)/ Outstanding number of equity shares
- 2 Current ratio = Current assets / Current liabilities.
- 3 Debt-Equity ratio = Total Debt/ Total Equity
Total Debt = Preference shares (+) Redemption premium on preference shares (+) Long term borrowings (+) Short term borrowings (+) Current maturity of long term borrowings
Total Equity = Equity Share Capital (+) Reserves and Surplus excluding redemption premium on preference shares (-) Deferred tax asset
- 4 Return on average equity = Profit for the year / [Annual average equity share capital (+) Annual average Reserves and Surplus less Deferred tax asset].
- 5 Return on average assets = Profit for the year / Annual average total assets.

2.43 Investments

	2018	2017
1) Value of Investments		
i) Gross Value of Investments		
a) In India	-	1,268.63
b) Outside India	-	0.44
ii) Provisions for Depreciation		
a) In India	-	252.71
b) Outside India	-	-
iii) Net Value of Investments		
a) In India	-	1,016.36
b) Outside India	-	-
2) Movement of provisions held towards depreciation on investments.		
i) Opening balance	252.71	40.00
ii) Add : Provisions made during the year	-	232.71
iii) Less : Write-off / write-back of excess provisions during the year	252.71	20.00
iv) Closing balance	-	252.71

2.44 Derivatives

A) Forward Rate Agreement / Interest Rate Swap

	2018	2017
i) The notional principal of swap agreements	14,500.00	550.00
ii) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	26.44	-
iii) Collateral required by the NBFC upon entering into swaps	-	-
iv) Concentration of credit risk arising from the swaps@	100%	100%
v) The fair value of the swap book	5.72	(15.02)

@ % of concentration of credit risk arising from swaps with banks.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.44 Derivatives(Continued)

B) Exchange Traded Interest Rate (IR) Derivatives

	2018	2017
i) Notional principal amount of exchange traded IR derivatives undertaken during the year	71,860.20	3,286.40
ii) Notional principal amount of exchange traded IR derivatives outstanding	544.40	-
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-

C) Qualitative disclosure for Derivatives

The Company undertakes transactions in derivative products in the role of a user with counter parties. The Company deals in the derivatives for balance sheet management i.e. for hedging fixed rate, floating rate and for hedging the variable interest in case of benchmark linked debentures. All derivatives are marked to market on reporting dates and the resulting gain/loss is recorded in the statement of profit and loss.

Dealing in derivatives is carried out by specified groups of the treasury department of the Company based on the purpose of the transaction. Derivative transactions are entered into by the treasury front office. Mid office team conducts an independent check of the transactions entered into by the front office and also undertakes activities such as confirmation, settlement, risk monitoring and reporting.

The Company has a credit and market risk department that assesses counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company has in place a policy which covers various aspects that apply to the functioning of the derivative business. Limits are monitored on a daily basis by the mid-office.

D) Quantitative Disclosures

S.no.	Particulars	2018 Currency Derivatives	2018 Interest Rate Derivatives	2017 Currency Derivatives	2017 Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount) For hedging	-	15,044	-	550
ii)	Marked to Market Positions				
	a) Assets (+)	-	26.44	-	-
	b) Liability (-)	-	(20.72)	-	15.02
iii)	Credit Exposure	-	485.00	-	19.00
iv)	Unhedged Exposures	-	-	-	-

2.45 Capital to Risk Assets Ratio (CRAR)

	2018	2017
i. CRAR (%)	20.94%	47.29%
ii. CRAR - Tier I Capital (%)	16.57%	38.49%
iii. CRAR -Tier II Capital (%)	4.37%	8.80%
iv. Amount of subordinated debt raised as Tier-II capital	-	150.00
v. Amount raised by issue of Perpetual Debt Instruments	-	-

2.46 Details of Single Borrower Limit and Borrower Group Limit exceeded by the Company:

During the year ended 31 March 2018 and 31 March 2017, the Company credit exposure to single borrowers and group borrowers were within the limits prescribed by RBI.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.47 Exposure to real estate sector, both direct and indirect; and

	2018	2017
A Direct exposure		
i. Residential Mortgages		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)	-	-
ii. Commercial Real Estate		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits;	-	1,000.75
iii Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
Residential	-	-
Commercial Real Estate	-	-
B Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
C Others (Not covered Above)*	-	0.00
Total Exposure	-	1,000.75
*Amount is less than Rs. 0.01 million		

2.48 Exposure to Capital Market

	2018	2017
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented invested in corporate debt;	-	522.66
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	77.67
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	2,448.16
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances; *	-	0.00
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	-	48.33
(ix) Others - Not covered above	-	0.14
Total exposure	-	3,096.96
*Amount is less than Rs. 0.01 million		



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.49 Asset Liability Management

As at 31 March 2018

Particulars	Liabilities			Assets			Foreign Currency assets	Foreign Currency liabilities
	Deposit	Borrowings	Advances [#]	Stock in trade	Investments			
1 day to 30/31 days	-	17,373.62	-	14,512.70	-	-	-	-
Over one month to 2 months	-	56.39	-	-	-	-	-	-
Over 2 months to 3 months	-	56.39	-	-	-	-	-	-
Over 3 months to 6 months	-	56.39	-	-	-	-	-	-
Over 6 months to 1 year	-	-	-	-	-	-	-	-
Over 1 year to 3 years	-	-	-	-	-	-	-	-
Over 3 years to 5 years	-	-	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-	-	-
Total	-	17,542.79	-	14,512.70	-	-	-	-

As at 31 March 2017

Particulars	Liabilities			Assets			Foreign Currency assets	Foreign Currency liabilities
	Deposit	Borrowings	Advances [#]	Stock in trade	Investments			
1 day to 30/31 days	-	11,539.49	52.98	14,583.32	0.38	-	-	-
Over one month to 2 months	-	106.00	473.75	-	0.41	-	-	-
Over 2 months to 3 months	-	234.69	150.50	-	0.07	-	-	-
Over 3 months to 6 months	-	592.69	43.75	-	1.45	-	-	-
Over 6 months to 1 year	-	3,167.20	1,982.76	567.46	8.70	-	-	-
Over 1 year to 3 years	-	1,593.61	835.12	-	20.76	-	-	-
Over 3 years to 5 years	-	18.00	20.00	-	0.07	-	-	-
Over 5 years	-	150.00	-	-	984.52	-	-	-
Total	-	17,401.68	3,558.86	15,150.78	1,016.36	-	-	-

[#] Includes debentures in the nature of loan and advances.

2.50 Movements in Non Performing Advances:

The following table sets forth, for the periods indicated, the details of movement of gross non-performing assets (NPAs), net NPAs and provisions:

Particulars	2018	2017
i) Movement of NPAs (Gross)		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
ii) Movement of Net NPAs		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-
iii) Movement of Provisions for NPAs (excluding provision on Standard assets)		
a) Opening Balance	-	-
b) Additions during the year	-	-
c) Reductions during the year	-	-
d) Closing balance	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.51 Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit and Loss.

Particulars	2018	2017
(i) Provisions for depreciation on Investment	-	212.71
(ii) Provision towards NPA	-	-
(iii) Provision made towards Income tax (net of deferred tax)	(179.57)	388.80
(iv) Provision for Standard Assets	-	(11.55)
(v) Other Provision and Contingencies (Provision for doubtful debts)	-	(1.43)

2.52 Concentration of Deposits, Advances, Exposures and NPAs

	2018	2017
A) Concentration of Advances		
Total advances to twenty largest borrowers	-	3,558.86
Percentage of advances to twenty largest borrowers to total advances	0.00%	100.00%
B) Concentration of Exposures		
Total exposures to twenty largest borrowers / customers	-	3,558.86
Percentage of exposures to twenty largest borrowers / customers to total	0.00%	100.00%
C) Concentration of NPAs		
Total exposures to top four NPAs	-	-
D) Sector-wise NPAs		
Sectors	Percentage of NPAs to	2017
	2018	
1 Agriculture & allied activities	-	-
2 MSME	-	-
3 Corporate borrowers	-	-
4 Services	-	-
5 Unsecured personal loans	-	-
6 Auto loans	-	-
7 Other personal loans	-	-

2.53 Customer Complaints

	2018	2017
(a) No. of complaints pending at the beginning of the year	-	-
(b) No. of complaints received during the year	-	-
(c) No. of complaints redressed during the year	-	-
(d) No. of complaints pending at the end of the year	-	-

2.54 Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	Total assets as at 31 March, 2018	Total assets as at 31 March, 2017
EC Global Limited	-	Mauritius	-	4,432.14

2.55 The Company has not restructured any loans and advances during the year ended 31 March 2018 and 31 March 2017.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.56 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

Liabilities side :

	2018		2017	
	Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
(1) Loans and Advances availed by the NBFCs inclusive of interest accrued thereon but not paid:				
(a) Debentures (other than falling within the meaning of public deposits \$)				
i) Secured	-	-	6,388.33	-
ii) Unsecured	-	-	161.12	-
(b) Deferred Credits	-	-	-	-
(c) Term Loans	-	-	-	-
(d) Inter-Corporate Loans and Borrowing	196.08	-	445.41	-
(e) Commercial Paper	-	-	-	-
(f) Other Loans: Collateralised Lending and Borrowing	17,373.62	-	11,439.99	-
(\$ Please see Note 1 below)				

Assets side :

	Amount Outstanding	
	2018	2017
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured	-	3,449.04
(b) Unsecured	-	109.82
(3) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards AFC activities		
(i) Lease assets including lease rentals under sundry debtors :		
(a) Financial Lease	-	-
(b) Operating Lease	-	-
(ii) Stock on hire including hire charges under sundry debtors:		
(a) Assets on Hire	-	-
(b) Repossessed Assets	-	-
(iii) Hypothecation loans counting towards EL / HP activities :		
(a) Loans where assets have been repossessed	-	-
(b) Loans other than (a) above	-	-
(4) Break-up of Investments		
Current Investments:		
1. <u>Quoted:</u>		
(i) Shares : (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and Bonds	-	-
(iii) Units of Mutual Funds	-	-
(iv) Government Securities	-	-
(v) Others	-	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.56 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

(4) Break-up of Investments (Continued)		Amount Outstanding	
		2018	2017
2. Unquoted :			
(i) Shares : (a) Equity		-	-
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	17.28
(iv) Government Securities		-	-
(v) Others (Debt instruments)		-	-
Long Term investments :			
1. Quoted :			
(i) Shares : (a) Equity		-	109.28
(b) Preference		-	-
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
2. Unquoted :			
(i) Shares : (a) Equity		-	222.28
(b) Preference		-	530.58
(ii) Debentures and Bonds		-	-
(iii) Units of Mutual Funds		-	-
(iv) Government Securities		-	-
(v) Others		-	-
(a) Warrants		-	14.56
(b) Units of Fund		-	48.33
(c) Investment in Security Receipts		-	74.05
(d) Share Application Money		-	-

(5) Borrower group-wise classification of all assets financed as in (2) and (3) above:

As at 31 March 2018

Category	Amount (net of provisions)		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	-	-	-
Total	-	-	-

As at 31 March 2017

Category	Amount (net of provisions)		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	32.15	32.15
2. Other than related parties	3,449.04	77.67	3,526.71
Total	3,449.04	109.82	3,558.86



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.56 Notes to the Balance Sheet of a non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007. (Continued)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) (Please see Note 3):

Category	Market value / Break-up or fair value or NAV		Book value (net of provisions)	
	2018	2017	2018	2017
1. Related parties**				
(a) Subsidiaries	-	0.44	-	0.44
(b) Companies in the same group	-	490.58	-	490.58
(c) Other related parties	-	-	-	-
2. Other than related parties	-	587.81	-	525.34
Total	-	1,078.83	-	1,016.36

** As per AS-18 Related Party Disclosures (Please see Note 3)

(7) Other information

Particulars	2018	2017
(i) Gross Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(ii) Net Non-Performing Assets		
(a) Related Party	-	-
(b) Other than Related Parties	-	-
(iii) Assets acquired in satisfaction of debts	-	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998
- Market value/Breakup Value or Fair Value or NAV is taken as same as book value in case if unquoted shares in absence of market value / breakup value or fair value or NAV.

2.57 Ratings assigned by credit rating agencies and migration of ratings during the year ended 31 March, 2018

Instrument category	CRISIL	ICRA	CARE	Brickworks
(i) Long Term Instruments				
Rating	CRISIL AA/Stable	ICRA AA/Stable	CARE AA/Stable	BWR AA+/Stable
Amount	11,150	16,350	1,500	500
(ii) Short Term Instruments				
Rating	CRISIL A1+	ICRA A1+	CARE A1+	-
Amount	10,000	10,000	10,000	-
(iii) Market linked debentures				
Short Term				
Rating	CRISIL PP MLD A1+	ICRA PP MLD A1+	CARE PP MLD AA/Stable	-
Amount	715	4,000	3,078.3	-
Long Term				
Rating	-	ICRA PP MLD AA/Stable	-	-
Amount	-	7,000	-	-

Ratings assigned by credit rating agencies and migration of ratings during the year ended 31 March, 2017

Instrument category	CRISIL	ICRA	CARE	Brickworks
(i) Long Term Instruments				
Rating	CRISIL AA-/Stable	[ICRA]-AA	CARE AA	BWR AA+
Amount	6,150	18,000	1,500	500
(ii) Short Term Instruments				
Rating	CRISIL A1+	[ICRA]A1+	CARE A1+	-
Amount	5,000	10,000	2,500	-
(iii) Market linked debentures				
Short Term				
Rating	CRISIL PP- MLD A1+R	PP-MLD [ICRA]A1+	-	-
Amount	2,000	4,000	-	-
Long Term				
Rating	-	PP-MLD [ICRA]AA	CARE PP MLD-AA	-
Amount	-	8,000	5,000	-



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.58 Scheme of Arrangement (Demerger):

- i) Pursuant to the Scheme of Arrangement ("the Scheme") under Sections 391 to 394 and Sections 230 to 232 of the Companies Act 2013 sanctioned by the National Company Law Tribunal, Mumbai Bench vide its order dated 25 July 2017 ("the Order"), Edelweiss Finance & Investments Limited ("The Demerged Company" or "The Transferor Company"), has demerged the Lending and Investment Business to Edelweiss Finvest Private Limited (formerly known as Arum Investments Private Limited) ("First Resulting Company" or "EW Finvest"), which is another NBFC engaged in the business of lending and investments, and the Training Centre Business to Edel Land Limited ("Second Resulting Company" or "ELL") which undertakes real estate activities with effect from 1 April 2016 ("the Appointed Date"). The scheme has come into effect from 1 August 2017 ("the Effective Date"). Accordingly, the financial statements of the Company for the year ended 31 March 2018 have been prepared taking into account the effect of the said Order.

ii) In accordance with the Scheme:

On the Scheme becoming effective with effect from the Appointed date, the Company has transferred all the assets aggregating to Rs.10,214.42 million and 221.14 million and liabilities aggregating to Rs.8,737.81 and Rs.40.10 million as appearing in the books of Company related to lending business and training centre business respectively at their respective book value as on Appointed Date. Net assets transferred include.

a) Asset/Liabilities Transferred under Scheme of Demerger	EW Finvest	ELL
Assets		
Fixed assets- Property, plant and equipment	-	206.31
Investments	3,650.54	-
Deferred Tax	104.93	(1.41)
Loans and Advances	5,801.16	1.06
Cash and Cash Equivalents	-	0.05
Other Current Assets and Trade Receivables	657.79	15.13
Total Assets (A)	10,214.42	221.14
Liabilities		
Long Term Borrowings	5,874.52	-
Provisions	65.78	10.29
Trade Payables	17.95	7.28
Other current liabilities	1,555.56	22.53
Short term borrowings	1,224.00	-
Total Liabilities (B)	8,737.81	40.10
Net assets transferred (A-B)	1,476.61	181.04

- iii) The Scheme of arrangement is a tax neutral demerger per the provisions of Section 2(19AA) of the Income Tax Act, 1961 and accordingly, the assets and liabilities as on appointed date were transferred at cost. The resultant companies issued equity shares in consideration for the businesses acquired by them to the shareholders of the Company i.e. Edelweiss Financial Services Limited. Edelweiss Finvest Private Limited issued 8,279,275 equity shares of Rs. 10 each at a premium of Rs 168.35 per equity share aggregating to Rs.1,476.61 million and Edelweiss Land Limited issued 18,103,500 equity shares of Rs. 10 each at par aggregating to Rs. 181.04 million in settlement of the consideration. Accordingly, the reduction in the net worth of the Company of Rs. 1,657.64 million has been reflected as a reduction in the securities premium account in terms of accounting treatment approved in the Scheme.
- iv) On account of demerger, The Company has transferred profit/(loss) after tax from April 1st, 2016 (appointed date) to March 31st, 2017 to EW Finvest and ELL of Rs.286.00 million and Rs.(13.92) respectively.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.59 Discontinuing operations

The Board of Directors of the Company at its Meeting held on August 8, 2016, has approved a Scheme of Arrangement (the Scheme) between the Company and its fellow subsidiaries Edelweiss Finvest Private Limited and Edel Land Limited. As per the Scheme the Lending Business of the Company will be transferred to Edelweiss Finvest Private Limited and Training Centre Business to Edel Land limited. The Appointment Date in respect of the Scheme is April 1, 2016. The scheme is subject to requisite approvals from the National Company Law Tribunal ('NCLT'). Accordingly, the aforesaid Lending Business and Training Centre Business has been considered as discontinuing operations.

The operating activities of the Company's discontinuing operations are summarised below:

a. The revenue and expenses in respect of the ordinary activities attributable to the discontinuing operations :

Particular	Year Ended 31 March 2017
Revenue	1,195.67
Expenses	830.19
Profit before tax	365.47
Tax expenses	93.39
Profit after tax	272.08

b. The Net Cash Flows attributable to the discontinuing operations are as follows:

Particular	Year Ended 31 March 2017
Net cash generated from Operating Activities	4,712.17
Net cash generated from Investing Activities	614.51
Net cash used in Financing Activities	(2,822.01)
Total Cash flows attributable to discontinuing operations	2,504.67

c. The carrying amounts as at March 31, 2017 of the total assets and liabilities to be transferred are as follows:

Particular	2017
Total Assets	8,618.10
Total Liabilities	6,688.29
Net Assets	1,929.81

2.60 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013

Particular	Specified Bank Note	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	0.06	0.08	0.14
(+) Permitted receipts	-	0.27	0.27
(-) Permitted payments	-	0.13	0.13
(-) Amount deposited in Banks	0.06	0.02	0.08
Closing cash in hand as on 30 December 2016	-	0.19	0.19

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

2.61 Operating leases

The Company has taken premises on operating lease. Rental expenses for the year aggregated to **Rs.12.35 million** (Previous year Rs.17.37 million) which has been included under the head Other expenses – Rent in the statement of profit and loss.



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.62 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 expended 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 (if any) 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 2.25 and 2.27 include reimbursements paid and are net of the reimbursements received based on the management's best estimate.

2.63 Details of transaction with non executive directors

	Name of the Non executive	Nature of Transaction	2018	2017
1	Raviprakash R. Bubna	Interest Received on loan	-	3.75
2	P.N. Venkatachalam	Sitting Fees	0.26	0.26
3	Vinod Juneja	Sitting Fees	0.24	0.22

2.64 The Company has no disclosure to make in respect of the folloing items as the relevant items are either Nil or Not Applicable

Securitisation:	No of SPVs sponsored by the NBFC for securitisation transactions Total amount of securitised assets as per books of the SPVs sponsored Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet Amount of exposures to securitisation transactions other than MRR Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction No. of accounts Aggregate value (net of provisions) of accounts sold to SC / RC Aggregate consideration Additional consideration realized in respect of accounts transferred in earlier years Aggregate gain / loss over net book value Assignment transactions undertaken No. of accounts Aggregate value (net of provisions) of accounts sold to SC / RC Aggregate consideration Additional consideration realized in respect of accounts transferred in earlier years Aggregate gain / loss over net book value Details of non-performing financial assets purchased No. of accounts purchased during the year Aggregate outstanding Of these, number of accounts restructured during the year Aggregate outstanding Details of non-performing financial assets sold No. of accounts sold Aggregate outstanding Aggregate consideration received
------------------------	--

2.65 Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority, etc. has been taken as also the estimated value of such intangible collateral - Nil

2.66 Impact of prior period items on current year's profit and loss: Nil

2.67 Circumstances in which Revenue Recognition has been postponed: Nil



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in Million)

2.68 Accounting Standard 21 -Consolidated Financial Statements (CFS) - Nil

2.69 Draw Down from Reserves: Nil

2.70 Note to the Balance Sheet of a non-banking financial company as required in terms of Chapter II paragraph 5 of Monitoring of frauds in NBFCs (Reserve Bank) Directions, 2016 - Nil

2.71 Details of financing of parent company products - None (Previous year - none)

2.72 Off-Balance SPV sponsored - None (Previous year - none)

2.73 Registration obtained from other financial sector regulators - Nil

2.74 Disclosure of Penalties imposed by RBI and other regulators - Nil

2.75 Details of dues to micro and small enterprises

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

2.76 Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of Companies Act 2013,
Financial Year 2017-18

a) Gross Amount required to be spent by the Company during the year was Rs. 19.50 million.

b) Amount spent during the year on :

Particulars	In cash	Yet to be paid in cash	Total
i Construction/ Acquisition of any assets	-	-	-
ii on purpose other than (i) above	4.02	-	4.02

Financial Year 2016-17

a) Gross Amount required to be spent by the Company during the year was Rs. 14.55 million.

b) Amount spent during the year on :

Particulars	In cash	Yet to be paid in cash	Total
i Construction/ Acquisition of any assets	-	-	-
ii on purpose other than (i) above	3.50	-	3.50

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



Edelweiss Finance & Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in million)

2.77 There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2018.

2.78 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.

As per our report of even date attached.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No. 012754N / N500016



Russell I Parera

Partner

Membership No: 42190

For and on behalf of the Board of Directors



S. Ranganathan

Executive Director

DIN: 00125493



Ajay Manglani

Director

DIN: 02861202



Manjeet Bijlani

Chief Financial Officer



Amit Pandey

Company Secretary

Mumbai
02 May 2018

Mumbai
02 May 2018