

B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Edelweiss Trusteeship Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Edelweiss Trusteeship Company Limited (the 'Company'), which comprise the balance sheet as at 31 March 2019 and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent Auditors' Report (*Continued*)

Edelweiss Trusteeship Company Limited

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (*Continued*)

Edelweiss Trusteeship Company Limited

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (*Continued*)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The comparative financial information of the Company for the year ended 31 March 2018 and the transition date opening balance sheet as at 1 April 2017 included in these financial statements, are based on the previously issued statutory financial statements, prepared in accordance with the Companies (Accounting Standards) Rules, 2006, audited by the predecessor auditor, whose report for the year ended 31 March 2018 and 31 March 2017 dated 28 April 2018 and 15 May 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 (the 'Order') issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) 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, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.



Independent Auditor's Report (*Continued*)

Edelweiss Trusteeship Company Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigation which would impact the financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (iv) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019;
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to its directors during the current year. Hence, we have nothing to report in this regard.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231 W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Place: Mumbai

Date: 8 May 2019

Edelweiss Trusteeship Company Limited

Annexure A to the Independent Auditor's Report – 31 March 2019

(Referred to in our report of even date)

- i. According to the information and explanations given to us and on an overall examination of the books of accounts of the Company, the Company does not hold any property, plant and equipment in the current financial year. Thus, paragraph 3 (i) of the Order is not applicable to the Company.
- ii. The Company is a service company primarily providing trusteeship services. Accordingly, it does not hold any inventories. Thus, paragraph 3 (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, 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. Thus, paragraph 3 (iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanation given to us, the Company has not advanced any loans, made investments, given any guarantee or provided any security in connection with loan to any of its Directors or to any person in whom the Director is interested under the provisions of Sections 185 and 186 of the Act. Thus, paragraph 3 (iv) of the Order is not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and Rules framed there under. Thus, paragraph 3 (v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- vii.
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including income tax, goods and services tax, and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The provisions related to provident fund, employee's state insurance, investor education and protection fund, sales tax, wealth-tax, customs duty, excise duty and cess are not applicable to the Company.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to provident fund, employee's state insurance, investor education and protection fund, sales tax, wealth-tax, customs duty excise duty and cess are not applicable to the Company.
 - (c) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and other material statutory dues which have not been deposited on account of any dispute. The provisions related to provident fund, employee's state insurance, investor education and protection fund, sales tax, wealth-tax, customs duty, excise duty and cess are not applicable to the Company.
- viii. The Company has not taken any loans or borrowing from any financial institution, banks or Government or debenture holders.

Edelweiss Trusteeship Company Limited

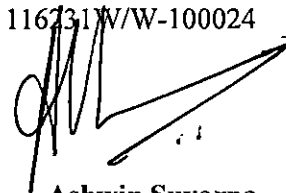
Annexure A to the Independent Auditor's Report – 31 March 2019 (Continued)

- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer. Thus, paragraph 3 (ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for managerial remuneration. Thus, paragraph 3 (xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Thus, paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or allotted fully or partly convertible debentures during the year. Thus, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or person connected with him. Thus, paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, since the company is engaged in rendering trusteeship services the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Thus, paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
08 May 2019

Annexure B to the Independent Auditor's report on the financial statements of Edelweiss Trusteeship Company Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A .f.) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Edelweiss Trusteeship Company Limited (the 'Company') as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements 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 (the 'Guidance Note').

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the 'Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.

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



Annexure B to the Independent Auditor's report on the standalone financial statements of Edelweiss Trusteeship Company Limited for the year ended 31 March 2019 (Continued)

Meaning of Internal Financial Controls with Reference to financial statements

A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements include 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.

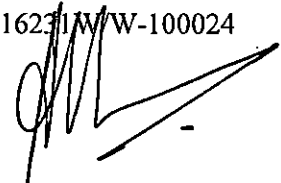
Inherent Limitations of Internal Financial Controls with Reference to financial statements

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

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231/W-100024



Ashwin Suvarna

Partner

Membership No: 109503

Place: Mumbai

Date: 8 May 2019

Edelweiss Trusteeship Company Limited

Balance Sheet as at March 31, 2019

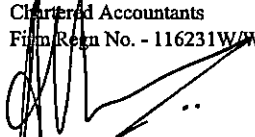
(Currency : Indian rupees)

	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
I. ASSETS				
Non - current assets				
Financial assets				
- Investments	2	2,01,183	1,82,102	1,75,628
Other non-current assets				
- Current tax assets (net)	3	2,76,802	3,68,909	2,69,912
		<u>4,77,985</u>	<u>5,51,011</u>	<u>4,45,540</u>
Current assets				
Financial assets				
- Investments	4	36,79,089	33,30,169	35,04,264
- Trade receivables	5	98,337	90,003	87,503
- Cash and cash equivalents	6	4,60,137	2,68,440	3,44,602
Other non-current assets	7	1,01,969	1,82,668	85,072
		<u>43,39,532</u>	<u>38,71,280</u>	<u>40,21,441</u>
TOTAL ASSETS		<u>48,17,517</u>	<u>44,22,291</u>	<u>44,66,981</u>
II. EQUITY AND LIABILITIES				
Equity				
- Equity share capital	8	10,00,000	10,00,000	10,00,000
- Other equity	9	34,68,083	30,46,223	30,00,819
		<u>44,68,083</u>	<u>40,46,223</u>	<u>40,00,819</u>
Non - current liabilities				
Deferred tax liabilities	10	2,08,758	2,28,319	2,10,604
Other non-current liabilities	11	7,629	3,229	10,369
		<u>2,16,387</u>	<u>2,31,548</u>	<u>2,20,973</u>
Current liabilities				
Financial liabilities				
- Trade payables	12	-	-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1,33,047	1,44,520	2,45,189
		<u>1,33,047</u>	<u>1,44,520</u>	<u>2,45,189</u>
TOTAL EQUITY AND LIABILITIES		<u>48,17,517</u>	<u>44,22,291</u>	<u>44,66,981</u>

The accompanying notes are an integral part of these financial statements


1 & 2-24


As per our report attached of even date

For **B S R & Associates LLP**
Chartered Accountants
Firm Regn No. - 116231W/W-100024

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
8 May 2019

For and on behalf of the Board of Directors


Himanshu Kaji
Director
DIN - 00009438


V.K. V. Hegde
Director
DIN - 00480795

Mumbai
26 April 2019

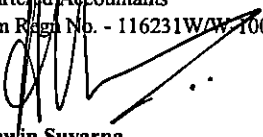
Edelweiss Trusteeship Company Limited**Statement of Profit and Loss**

(Currency : Indian rupees)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Trusteeship fees	13	10,00,000	10,00,000
Total revenue from operations		<u>10,00,000</u>	<u>10,00,000</u>
Other income	14	3,70,503	1,32,383
Total revenue		<u>13,70,503</u>	<u>11,32,383</u>
Expenses			
Other expenses	15	8,84,431	10,68,263
Total expenses		<u>8,84,431</u>	<u>10,68,263</u>
Profit before tax		4,86,072	64,120
Tax expenses:	16		
Current tax		83,773	1,000
Deferred tax		(19,561)	17,715
Profit after tax for the year		<u>4,21,860</u>	<u>45,405</u>
Earnings per equity share (Face value of Rs.10 each):			
Basic and Diluted	17	4.22	0.45


The accompanying notes are an integral part of these financial statements
As per our report attached of even date

For BSR & Associates LLP
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Mumbai
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K. V. Hegde
Director
DIN - 00480795

Mumbai
26 April 2019

Edelweiss Trusteeship Company Limited

Cash Flow Statement


(Currency : Indian Rupees)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities		
Profit before tax	4,86,072	64,120
Add / (Less): Adjustments for		
Gain on investments carried at FVTPL	(3,68,000)	(60,271)
Profit on sale of investment		(72,112)
Operating cash flow before working capital changes	1,18,072	(68,263)
Add / (Less): Adjustments for		
(Increase)/ decrease in trade receivables	(8,334)	(2,500)
Decrease/ (increase) in other non-financial assets	80,698	(97,597)
(Decrease)/ increase in trade payables	(11,473)	(1,00,666)
Increase/(decrease) in other non-financial liabilities	4,400	(904)
Cash generated from operations	1,83,363	(2,69,930)
Income tax refund/ (paid) (net)	8,334	(99,997)
Net cash generated from operating activities - A	1,91,697	(3,69,927)
B Cash flow from investing activities		
Proceeds from sale of investments	-	3,00,000
Net cash used in investing activities - B	-	3,00,000
C Cash flow from financing activities		
Net cash used in financing activities - C	-	-
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,91,697	(69,927)
Cash and cash equivalents as at the beginning of the year	2,68,440	3,38,366
Cash and cash equivalents as at the end of the year	4,60,137	2,68,440
Components of cash and cash equivalents		
Balance with banks in current account	4,60,137	2,68,440

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flow".


As per our report attached of even date

For B.S.R. & Associates LLP
Chartered Accountants
Firm Regn No. - 116231W/W-100024


Ashwin Suvarna
Partner
Membership No: 109503

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Mumbai
26 April 2019

Edelweiss Trusteeship Company Limited**Statement of changes in equity for the year ended 31st March 2019**

(Currency : Indian rupees)

Equity share capital

Particulars	Balance at the beginning of the year	Changes in equity share capital	Balance at the end of the year
Equity Shares of Rs.10/- each, fully paid up			
As at April 1, 2017	10,00,000	-	10,00,000
As at March 31, 2018	10,00,000	-	10,00,000
As at March 31, 2019	10,00,000	-	10,00,000
	10,00,000	-	10,00,000

Other Equity

Particulars	Reserves and Surplus		Total
	Capital Reserve	Retained earnings	
Balance at April 1, 2017	1,32,277	28,68,542	30,00,819
Profit for the year	-	45,405	45,405
Balance at March 31, 2018	1,32,277	29,13,947	30,46,224
Profit for the year	-	4,21,860	4,21,860
Balance at March 31, 2019	1,32,277	33,35,807	34,68,084

The accompanying notes are an integral part of these financial statements

1 & 2-24

As per our report attached of even date

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Edelweiss Trusteeship Company Limited
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

1. Significant Accounting Policies

Company overview

Edelweiss Trusteeship Company Limited (the 'Company') was incorporated in India with limited liability on September 03, 2007. The Company is a subsidiary of Edelweiss Financial Services Limited, a company registered in India.

The principal object of the Company is to act as trustee for mutual funds, perform the functions and duties of a trustee, execute trusts of all kind and transact all kinds of trust, agency or fiduciary business. The Company has been appointed as the trustee of Edelweiss Mutual Fund (the 'Fund'), vide a trust deed dated January 30, 2008, (the 'Deed') between itself, Edelweiss Financial Services Limited (the 'Settler/ Sponsor') and Edelweiss Asset Management Limited (the 'AMC').

1.1 Basis of preparation and recent accounting developments

Basis of preparation

a) Statement of compliance

The Company's financial statements have been prepared in accordance with the provision of the Companies Act, 2013 and the Indian Accounting Standards (hereinafter referred to as the "Ind AS") as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. In addition, the guidance notes/ announcements issued by the Institute of Chartered Accountants of India (the 'ICAI') are also applied except where compliance with other statutory promulgations requires a different treatment. The financial statements for the year ended March 31, 2019 of the Company are the first financial statements prepared in compliance with the Ind AS. The date of transition to Ind AS is April 1, 2017.

The Company's financial statements up to and for the year ended March 31, 2018 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014, notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable (Previous GAAP). The figures for the year ended March 31, 2018 have now been restated as per Ind AS to provide comparability.

As these are the Company's first financial statements prepared in accordance with Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 23.

8



Edelweiss Trusteeship Company Limited**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Continued)****b) Basis of accounting**

The company maintains accounts on accrual basis following the historical cost convention, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liabilities, either directly or indirectly.
- Level 3 – inputs are unobservable inputs for the valuation of assets/liabilities.

c) Presentation of financial statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 (the 'Act'). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

d) Functional and presentation currency

Indian Rupees (₹) is the Company's functional currency and the currency of the primary economic environment in which the Company operates. Accordingly, the management has determined that financial statements are presented in Indian Rupees (₹). All amounts have been rounded-off to the nearest rupee upto two decimal places, unless otherwise indicated.

e) Basis of measurement

The Ind AS financial statements has been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial instruments (as explained in the accounting policies below)	Fair value

f) Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Edelweiss Trusteeship Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Assumptions and estimation uncertainties

Information about critical judgments, assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended March 31, 2019 is included in the following notes:

- Note 21 – Recognition and measurement of contingencies, if any;
- Note 22 – Financial instruments – Fair values and risk management

g) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received on sale of asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

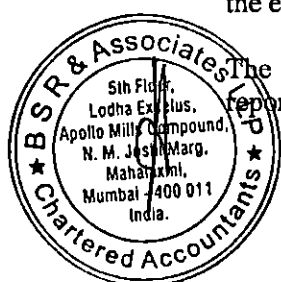
Valuation models that employ significant unobservable inputs require a higher degree of judgment and estimation in the determination of fair value. Judgment and estimation are usually required for selection of the appropriate valuation methodology, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

The management regularly reviews significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques:-

- i) **Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. This includes NAV valuations.
- ii) **Level 2:** Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes price of the similar instrument, at the time of valuation.
- iii) **Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This includes pricing basis discounted cash flow and adjusted net assets value methods.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred



1.2 Recent accounting developments:

Standards issued but not yet effective

Following are the new standards and amendments to existing standards (as notified by Ministry of Corporate Affairs (MCA) on March 30, 2019 as part of the Companies (Ind AS) Amendment Rules, 2019) which are effective for the annual period beginning from April 01, 2019. The Company intends to adopt these standards and amendments from the effective date.

Amendments to existing Ind AS:

The following amended standards are not expected to have a significant impact on the Company's financial statements. This assessment is based on currently available information and is subject to changes arising from further reasonable and supportable information being made available to the Company when it adopts the respective amended standards.

i. *Amendment to Ind AS 12 Income Taxes:*

Income tax consequences of distribution of profits (i.e. dividends), including payments on financial instruments classified as equity, should be recognized when a liability to pay dividend is recognized.

The income tax consequences should be recognized in profit or loss, other comprehensive income or equity according to where the past transactions or events that generated distributable profits were originally recognized.

Appendix C has been added to Ind AS 12 which seeks to bring clarity to the accounting for uncertainties on income tax treatments that are yet to be accepted by tax authorities and to reflect it in the measurement of current and deferred taxes.

ii. *Amendments to Ind AS 109 Financial Instruments:*

A financial asset would be classified and measured at amortized cost or at Fair Value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principle and interest on the principle amount outstanding (SPPI criterion).

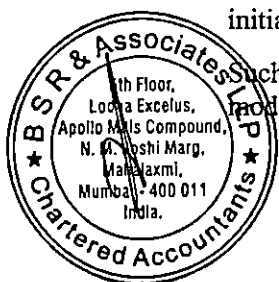
An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

Have a prepayment feature which results in a negative compensation.

Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and

The fair value of the prepayment feature is insignificant when the entity initially recognizes the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available.

Such financial assets could be measured at amortized cost or at FVOCI based on the business model within which they are held.



Edelweiss Trusteeship Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Continued)

1.3 Cash and Cash Equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks.

1.4 Financial instruments:

i. Recognition and initial measurement

All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability which is not recognized at Fair Value through Profit and Loss, is initially measured at fair value plus, for an item not at fair value through profit and loss, transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

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

- Amortized cost
- Fair value through profit or loss [FVTPL]

Financial assets at fair value through profit or loss

Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.

Financial liabilities: Classification, subsequent measurement and gains and losses

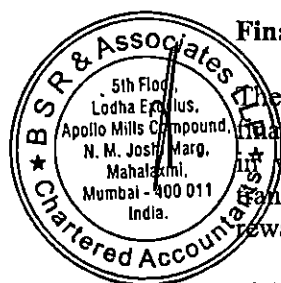
Financial liabilities are classified and measured at amortized cost or FVTPL. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

iii. Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.



Edelweiss Trusteeship Company Limited**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Continued)****Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of profit and loss.

1.5 Revenue recognition**i. Rendering of services**

The Company recognizes revenue from contracts with customers based on a five step model as set out in Ind AS 115 to determine when to recognize revenue and at what amount.

Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognized when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

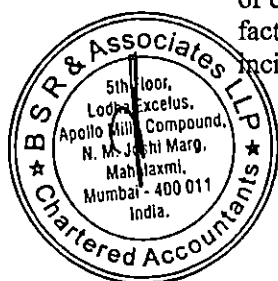
ii. Nature of goods and services

The Company principally generates revenue by providing trusteeship services to Mutual fund.

Services	Nature, timing of satisfaction of performance obligations and significant payment terms
Trusteeship Fee	The Company has been appointed as trustee to Edelweiss Mutual Fund. The Company receives trusteeship fees from the mutual fund which is charged and is accounted on accrual basis at rates approved by the Board of Directors of the Company.

1.6 Provisions (other than employee benefits)

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents.



Edelweiss Trusteeship Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Continued)

1.7 Income tax

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

i. Current tax

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

ii. Deferred tax

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

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

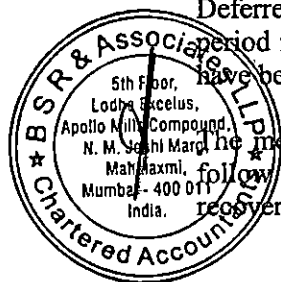
It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilized when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference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

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

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

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

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



Edelweiss Trusteeship Company Limited

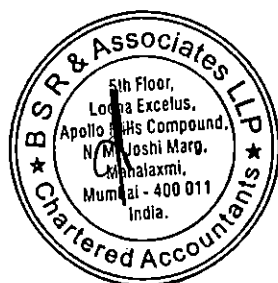
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Continued)

Minimum Alternative Tax ('MAT') credit forming part of the deferred tax assets is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a reasonable certainty to the effect that the company will pay normal income tax during the specified period.

1.8 Earnings per share (EPS)

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

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



2 Non-current assets**Investments**

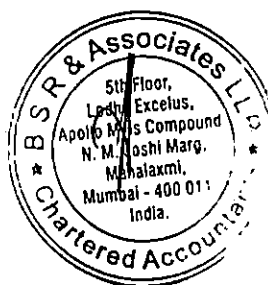
Investments in units of mutual fund schemes (unquoted), fully paid-up Measured at Fair Value through Profit or loss account (FVTPL)	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Edelweiss Dynamic Bond Fund - Direct Plan - Growth Option (Formerly known as Edelweiss Bond Fund)	10	9,704	2,01,183	10	9,704	1,82,102	10	9,704	1,75,628
Total			2,01,183			1,82,102			1,75,628

Aggregate of unquoted investment - At fair value (being net asset value)

2,01,183**1,82,102****1,75,628****4 Current Assets****Investments**

Investments in units of mutual fund schemes (unquoted), fully paid-up Measured at Fair Value through Profit or loss account (FVTPL)	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
Edelweiss Dynamic Bond Fund - Direct Plan - Growth Option (Formerly known as Edelweiss Bond Fund)	10	1,77,459	36,79,089	10	1,77,459	33,30,169	10	1,93,624	35,04,264
Total			36,79,089			33,30,169			35,04,264

Aggregate of unquoted investment - At fair value (being net asset value)

36,79,089**33,30,169****35,04,264**

Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
3 Current tax assets (net)			
Advance income taxes (net of provisions for tax)	2,76,802	3,68,909	2,69,912
	<u>2,76,802</u>	<u>3,68,909</u>	<u>2,69,912</u>
5 Trade receivables			
(i) Trade receivables (as at March 31, 2019 - from Edelweiss Mutual Fund, as at March 31, 2018 and April 1, 2017 - from Edelweiss Asset Management Limited)	98,337	90,003	87,503
Total	<u>98,337</u>	<u>90,003</u>	<u>87,503</u>
6 Cash and cash equivalents			
Balances with banks			
- in current accounts	4,60,137	2,68,440	3,44,602
Total	<u>4,60,137</u>	<u>2,68,440</u>	<u>3,44,602</u>
7 Other non-current assets			
GST Input credit	1,01,969	1,55,122	80,752
Advances recoverable in cash or in kind or for value to be received	-	27,546	4,320
	<u>1,01,969</u>	<u>1,82,668</u>	<u>85,072</u>



Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
8 Equity share capital			
Authorised :			
250,000 (Previous year: 250,000) equity shares of Rs. 10 each	25,00,000	25,00,000	25,00,000
	<u>25,00,000</u>	<u>25,00,000</u>	<u>25,00,000</u>
Issued, subscribed and paid up:			
100,000 (Previous year: 100,000) equity shares of Rs. 10 each, fully paid-up	10,00,000	10,00,000	10,00,000
Total	<u>10,00,000</u>	<u>10,00,000</u>	<u>10,00,000</u>

a. Movement in share capital :

	March 31, 2019		March 31, 2018		April 1, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000	1,00,000	10,00,000
Shares issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	<u>1,00,000</u>	<u>10,00,000</u>	<u>1,00,000</u>	<u>10,00,000</u>	<u>1,00,000</u>	<u>10,00,000</u>

b. Terms/rights attached to equity shares :

The Company has issued only one class of shares. The entire paid up share capital is held by Edelweiss Financial Services Limited, the holding company and its nominees. Each holder of equity shares is entitled to only one vote per share. In the event of liquidation of the Company, the holder 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.

Details of shares held by holding company and shareholders holding more than 5% of the aggregate share

	March 31, 2019		March 31, 2018		April 1, 2017	
	No of shares	%	No of shares	%	No of shares	%
Holding company						
Equity shares of Rs. 10 each fully paid up						
Edelweiss Financial Services Limited, holding company and its nominees	<u>1,00,000</u>	<u>100</u>	<u>1,00,000</u>	<u>100</u>	<u>1,00,000</u>	<u>100</u>
	<u>1,00,000</u>	<u>100</u>	<u>1,00,000</u>	<u>100</u>	<u>1,00,000</u>	<u>100</u>

9 Other equity

Capital Reserve - Opening balance**	1,32,277	1,32,277	1,32,277
Add : Additions during the year	-	-	-
Capital Reserve - Closing balance	<u>1,32,277</u>	<u>1,32,277</u>	<u>1,32,277</u>
Retained earnings - Opening balance	29,13,946	28,68,542	29,26,119
Add: Profit for the year	<u>4,21,860</u>	<u>45,405</u>	<u>(57,577)</u>
Retained earnings - Closing balance	<u>33,35,806</u>	<u>29,13,946</u>	<u>28,68,542</u>
	<u>34,68,083</u>	<u>30,46,223</u>	<u>30,00,819</u>

** Capital reserve comprises an amount received, on a non-repatriable basis from the Settlor/Sponsor, as a contribution to the Fund in accordance with the terms of the Deed. The amount is held by the Company in its fiduciary capacity as the trustee to the Fund and is intended to be utilised only for the purposes of settlement of claims, if any, from the unitholders of the mutual fund schemes launched by the Fund (the 'Schemes').



Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

10 Deferred tax Liabilities

Deferred tax assets

Unused tax credit

MAT credit entitlement (current)

(1,15,242)

-

-

Deferred tax liabilities

Related to timing differences on Investments

Fair valuation of investments - gain in valuation

3,24,000

2,28,319

2,10,604

2,08,758

2,28,319

2,10,604

11 Other non-current liabilities

Fair valuation of investments - gain in valuation

7,629

3,229

4,133

Book overdraft

-

-

6,236

Total

7,629

3,229

10,369

12 Trade payables

Total outstanding dues of micro enterprises and small enterprises

-

-

-

Total outstanding dues to creditors other than micro enterprises and small enterprises (refer note 20)

1,33,047

1,44,520

2,45,189

Total

1,33,047

1,44,520

2,45,189



Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

		for the year ended March 31, 2019	for the year ended March 31, 2018
13	Fee income		
	Trusteeship fees	10,00,000	10,00,000
	Total	10,00,000	10,00,000
14	Other Income		
	Profit on sale of investments	-	72,112
	Gain on investments carried at FVTPL	3,68,000	60,271
	Interest on income tax refund	2,503	-
	Total	3,70,503	1,32,383
15	Other expenses		
	Legal and professional fees	78,480	3,88,198
	Directors' sitting fees	6,60,000	5,70,000
	Auditors' remuneration	1,03,115	63,080
	Rates and taxes	28,137	30,879
	Communication	2,731	2,491
	Printing and stationery	2,135	2,692
	Clearing & custodian charges	9,000	9,000
	Goods & Service tax expenses	833	1,099
	Miscellaneous expenses	-	823
	Total	8,84,431	10,68,263
	Auditors' remuneration :-		
	As Auditors	1,00,000	60,000
	Towards reimbursement of expenses	3,115	3,080
		1,03,115	63,080



Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

16 . Tax expense schedule

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

	2018-19	2017-18
Current tax		
in respect of current year	1,27,425	992
in respect of earlier year	(43,652)	8
Total current tax	83,773	1,000
Deferred Tax		
Deferred tax relating to origination and reversal of temporary differences (net of MAT credit entitlement)	(19,561)	17,715
Total deferred tax	(19,561)	17,715

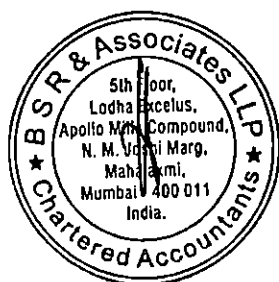
Reconciliation of total tax charge

A. - Amount computed by applying the satatutory income tax rate to the profit before tax

Particulars	2018-19
Profit before tax	4,86,072
Income tax rate (as applicable)	26%
Calculated tax rate base on above, without any adjustments or deductions	1,26,379
Less:- Effect of tax on b/f losses	(18,668)
Less:- Effect of tax on non-deductable expenses	(95,526)
Total tax as per income tax (i)	12,184

B. - Amount of tax as per 115JB of the income tax act, 1961

Particulars	2018-19
Profit before tax	4,86,072
Add:- Interest on late payment of TDS disallowed as per Income tax	591
Profit before tax	4,86,663
Ind AS impact on Book Profit	1,75,630
Book profit as per section 115JB	6,62,293
MAT rate (as applicable)	19.24%
Tax expense calculated based on this tax rate (ii)	1,27,425
Current tax in respect of earlier years	(43,652)
Current tax for the year	83,773
Higher of above (A or B)	83,773



Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

16 . Tax expense schedule (continued)

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

		Movement for the period (2018-19)		
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Total movement	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:				
Other investments (equity instruments)	(2,28,319)	19,561	19,561	(2,08,758)
Total	(2,28,319)	19,561	19,561	(2,08,758)

		Movement for the period (2017-18)		
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Total movement	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:				
Other investments (equity instruments)	(2,10,604)	(17,715)	(17,715)	(2,28,319)
Others			-	-
Total	(2,10,604)	(17,715)	(17,715)	(2,28,319)

Tax Rate:-

In the Financial Year (FY) 18-19, the Government enacted a change in national income tax rate by increasing the Health and Education Cess on income tax from 3% to 4%. Accordingly, income tax rate had increased from 25.75% in FY 16-17 to 26% in FY 17-18 and FY 18-19.



Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

17. Earnings per share

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

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

The following table shows the income and share data used in the basic and diluted EPS calculations:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Net amount attributable to the equity shareholders (as per statement of profit and loss)	4,21,860	45,405
b) Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	100,000	100,000
c) Basic and diluted earnings per share (in Rupees) (a/b) (Face value Rs. 10 per share)	4.22	0.45

18. Segment reporting

The Company is in the business of providing trusteeship services to Edelweiss Mutual Fund. Accordingly, there is no separate reportable segment and hence, no disclosure is made under Indian Accounting Standard 108 – Operating Segment Reporting. Further, segmentation based on geography has not been presented as the Company operates only in India.

There is only one customer contributing in excess of 10% of the total revenue of the Company.

The amounts for the same are as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Edelweiss Mutual Fund	10,00,000	10,00,000

19. Related parties

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

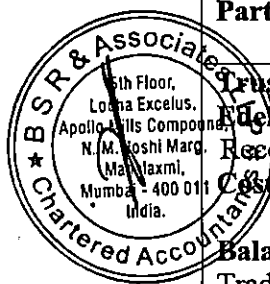
Edelweiss Financial Services Limited - Holding company

(B) Fellow subsidiaries with whom transactions have taken place

Edelweiss Asset Management Limited

Edelweiss Business Services Limited

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Trusteeship fees (for Trusteeship services rendered to Edelweiss Mutual Fund) Received through Edelweiss Asset Management Limited	583,331	1,000,000
Cash reimbursements paid to Edelweiss Business Services Limited	-	50,000
Balances with related parties Trade receivables from Edelweiss Asset Management Limited	-	90,003



Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

20. Details of dues to micro small and medium enterprises

Trade Payables includes Rs. Nil (Previous years: 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.

Particulars	March 31, 2019	March 31, 2018	April 01, 2017
Principal amount remaining unpaid to any supplier as at the year end	Nil	Nil	Nil
Interest due thereon	Nil	Nil	Nil
Amount of interest paid by the company in terms of section 16 of the MSMEDA, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	Nil	Nil	Nil
Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMEDA	Nil	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil	Nil

21. Recognition and measurement of contingencies:

There are no outstanding contingencies as on March 31 2019 (Previous Years: Nil).

22. Financial Risk Management and fair value hierarchy:

Capital Management

Equity share capital and other equity are considered for the purpose of Company’s capital management. The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to the Shareholders. The Board of Directors monitors the return on capital of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.



Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

Financial Instruments

A) Classification and fair values of financial assets & liabilities

The following table shows the carrying amounts of financial assets and financial liabilities.

Particulars	Carrying amount		
	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Financial assets			
Non - current investments (Level 1)	201,183	182,102	175,628
Current investments (Level 1)	3,679,089	3,330,169	3,504,264
Trade receivables	98,337	90,003	87,503
Cash and cash equivalents	460,137	268,440	344,602
Total	4,438,746	3,870,714	4,111,997
Financial liabilities			
Trade payables	133,047	144,520	245,189
Total	133,047	144,520	245,189

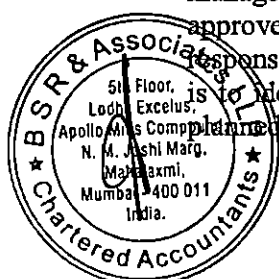
The financial assets include investments which are measured at FVTPL and categorised into fair value hierarchy as Level 1.

The financial assets excluding investments are not measured at FVTPL which includes cash and cash equivalents and trade receivables. These are the financial assets whose carrying amount approximate fair value, because of their short term nature.

Additionally, financial liabilities includes trade payables not measured at FVTPL whose carrying amount approximate fair value, because of their short term nature.

B) Financial risk management

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors. The Company's board of directors has overall responsibility for managing the risk profile of the company. The purpose of risk management is to identify potential problems before they occur, so that risk-handling activities may be invoked as needed to manage adverse impacts on achieving objectives.



Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

The Company has exposure to the following risks arising from financial instruments:

Risk	Exposure arising from
i) Credit risk	Financial assets
ii) Liquidity risk	Financial liabilities
iii) Market risk	Financial assets

i) Credit risk

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables. Company has no significant concentration of credit risk with any counterparty.

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

Company's financial assets subject to the expected credit loss model within Ind AS 109 are only short-term trade and other receivables. All trade receivables are expected to be received in three months or less.

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

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Maximum exposure to credit risk	4,438,746	3,870,714	4,111,997

ii) Liquidity Risk:

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its trade payables earlier than expected.



Edelweiss Trusteeship Company Limited**Notes to the financial statements (Continued)**

(Currency: Indian Rupees)

The company's policy is to satisfy repayment requests by withdrawal of cash deposits.

		Contractual cash flows		
As at March 31, 2019	Carrying amount	Total	1 year or less	More than 1 year
Financial liabilities				
Trade payables	133,047	133,047	133,047	-
Total	133,047	133,047	133,047	-

		Contractual cash flows		
As at March 31, 2018	Carrying amount	Total	1 year or less	More than 1 year
Financial liabilities				
Trade payables	144,520	144,520	144,520	-
Total	144,520	144,520	144,520	-

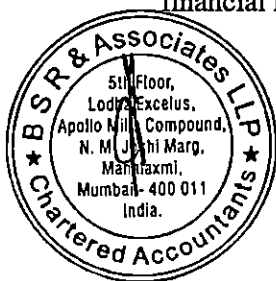
		Contractual cash flows		
As at April 01, 2017	Carrying amount	Total	1 year or less	More than 1 year
Financial liabilities				
Trade payables	245,189	245,189	245,189	-
Total	245,189	245,189	245,189	-

iii) Market risks

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

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's financial instruments. All of the company's interest rate risk exposure is at a fixed rate. Therefore, a change in interest rates at the reporting date would not affect statement of profit and loss for any of these fixed interest bearing financial instruments. Fair value can change due to change in interest rate.



Edelweiss Trusteeship Company Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

The interest rate profile of the company's interest-bearing Investments financial instruments is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Investment in debt oriented mutual fund			
Non-current investments	201,183	182,102	175,628
Current investments	3,679,089	3,330,169	3,504,264
Total	3,880,274	3,512,271	3,679,892

23. First time adoption of Ind AS

The Figures in respect of the previous year have been regrouped/ rearranged wherever necessary, to make them comparable with the current year.

These financial statements, for the year ended March 31, 2019, are the first financial statements the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2018, the Company has prepared its financial statements in accordance with previous GAAP.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for years ending on March 31, 2019, together with the comparative period data as at and for the year ended March 31, 2018, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2017, the Company's date of transition to Ind AS.

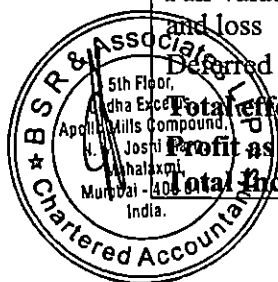
Transition to Ind AS

A. Classification and measurement of financial assets

As required by paragraph 32 of Ind AS 101, the reconciliation items between the net profit reported (net of tax) under previous GAAP and Ind AS is as below:-

Reconciliation of total income

	Year ended March 31, 2018
Profit as reported under previous GAAP	2,850
Ind AS adjustments on account of:	
Fair valuation of investments designated through profit and loss	60,270
Deferred tax adjustment on above items	(17,715)
Total effect of transition to Ind AS	42,555
Profit as per Ind AS (after tax)	45,405
Total Income under Ind AS	45,405



Edelweiss Trusteeship Company Limited**Notes to the financial statements (Continued)**

(Currency: Indian Rupees)

Reconciliation of total equity

	As at March 31, 2018	As at April 1, 2017
Shareholders' funds as per previous GAAP	3,396,394	3,393,543
Adjustments: (i)		
Fair valuation of investments designated through profit and loss	878,150	817,880
Deferred tax adjustment on above items	(228,321)	(210,604)
Total adjustment to equity (ii)	649,831	607,276
Total equity as per Ind AS (i +ii)	4,046,223	4,000,819

Reconciliation of cash flows

Particulars	IGAAP for the year ended 31 March 2018	Ind AS Adjustments	Ind AS for the year ended 31 March 2018
Net Cash Flow from operating activities	(369,926)	-	(369,926)
Net cash flow from Investing activities	300,000	-	300,000
Net cash flow from Financing activities	-	-	-
Net increase / (decrease) in cash & cash equivalents	(69,926)	-	(69,926)
Cash & cash equivalents as on April 01, 2017	338,366	-	338,366
Cash & cash equivalents as on March 31, 2018	2,68,440	-	2,68,440

Notes to the reconciliation:**Fair valuation of investments measured at FVTPL:**

Under the previous GAAP, all the investments were measured at cost. Under Ind AS, investments designated as FVTPL, are fair valued. Difference between the carrying value and the fair value; have been adjusted in retained earnings. Any fair value change subsequent to the date of transition has been recognised in the statement profit and loss.



Edelweiss Trusteeship Company Limited

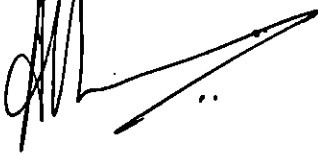
Notes to the financial statements (Continued)
(Currency: Indian Rupees)

24. Prior period comparatives

The Figures in respect of the previous year have been regrouped/ rearranged wherever necessary, to make them comparable with the current year.

As per our report attached of even date

For **B S R & Associates LLP**
Chartered Accountants
Firm's Regn No: 116231W/W-100024



Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
8 May 2019

For and on behalf of the Board of Directors



Himanshu Kaji
Director
DIN – 00009438

Mumbai
26 April 2019



K. V. Hegde
Director
DIN – 00480795