

# **Edelweiss Global Wealth Management Limited**

## **Financial statements together with Auditors' Report**

*for the year ended March 31, 2019*

### ***Contents***

Auditors' Report

Balance sheet

Statement of profit and loss

Statement of changes on Equity

Cash flow statement

Notes to the financial statements

**Edelweiss Global Wealth Management Limited**

Financial Statements

together with Auditors' Report

for the year ended March 31, 2019

## Independent Auditors' Report

### To the Members of Edelweiss Global Wealth Management Limited Report on the Audit of the Ind AS Financial Statements

#### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (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 audit opinion on the Ind AS financial statements.

#### 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 Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS 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. We have nothing to report in this regard.



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

In preparing the Ind AS 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.

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

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

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

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

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



- The audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 Ind AS financial statements of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017, included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements' prepared in accordance with the Companies (Accounting Standards) Rules 2006, have been audited by us and have expressed an unmodified opinion on those statements vide report dated April 26, 2018 and May 15, 2017 for the year ended March 31, 2018 and March 31, 2017 respectively, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

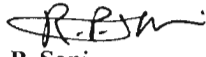
#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion and according to the information and explanation given to us, no remuneration has been paid by the Company to its directors during the current year.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- the Company does not have any pending litigations which would impact its financial position;
  - the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
  - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
**R. P. Soni**  
**Partner**  
**Membership No.:104796**



Place: Mumbai  
Date: May 9, 2019

**Annexure A to the Auditors' Report**

**The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Global Wealth Management Limited ('the Company') on the financial statements for the year ended March 31, 2019, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by
- (c) which all the fixed assets are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (d) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (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 Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, services tax, goods and service tax, cess, and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, sales tax, value added tax, duty of excise and duty of custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, services tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

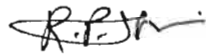
- (b) According to the information and explanation given to us, there are no dues of service tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax on account of dispute, is as follows:



Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	12,56,057	A.Y.2014-15	CIT (A)

- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no 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, during the year, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the 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 any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (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 persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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



**R. P. Soni**  
**Partner**  
**Membership No.:104796**



Place: Mumbai  
Date: May 9, 2019



**Annexure B to the Auditors' Report**

**Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Global Wealth Management Limited ("the Company")**

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

We have audited the internal financial controls over financial reporting of **Edelweiss Global Wealth Management Limited ("the Company")** as of March 31, 2019 in conjunction with our audit of financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

**Auditors' Responsibility**

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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.



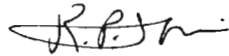
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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**

In our opinion, to the best of our information and according to the explanations given to us, 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**R. P. Soni**  
**Partner**  
**Membership No.: 104796**



Place: Mumbai  
Date: May 9, 2019

# Edelweiss Global Wealth Management Limited

## Balance Sheet

(Currency : Indian rupees in thousands)

	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>ASSETS</b>				
<b>Non current assets</b>				
Property, plant and equipment	8	9,464.40	10,528.56	17,120.52
Other intangible assets	9	580,172.19	7,285.33	4,914.34
Intangible assets under development		3,472.00	1,929.34	124.65
<b>Financial assets</b>				
(i) Investments	10	384,867.72	-	81,123.00
(ii) Other financial assets	11	231,309.08	5,998.66	4,764.68
Current tax assets (net)	12	62,076.75	36,997.35	35,908.35
Deferred tax assets (net)	13	198,154.94	117,019.22	48,656.84
Other non current assets	14	87,873.85	295,093.04	292,414.38
		<b>1,557,390.93</b>	<b>474,851.50</b>	<b>485,026.76</b>
<b>Current assets</b>				
<b>Financial assets</b>				
(i) Trade receivables	15	197,645.97	138,722.17	155,588.36
(ii) Cash and cash equivalents	16	4,128.16	7,174.64	1,438.92
(iii) Loans	17	-	-	132.52
(iv) Other financial assets	18	854.00	-	2,492.99
Current tax assets (net)	19	-	8,738.16	11,306.45
Other current assets	20	108,896.33	5,644.99	8,704.86
		<b>311,524.46</b>	<b>160,279.96</b>	<b>179,664.10</b>
		<b>1,868,915.39</b>	<b>635,131.46</b>	<b>664,690.86</b>
<b>TOTAL ASSETS</b>				
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	21	160,000.00	160,000.00	10,000.00
Other equity	22	(59,943.87)	(135,065.52)	(256,094.22)
		<b>100,056.13</b>	<b>24,934.48</b>	<b>(246,094.22)</b>
<b>LIABILITIES</b>				
<b>Non current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	23	-	-	236,782.06
Provisions	24	9,511.85	5,152.83	11,443.87
		<b>9,511.85</b>	<b>5,152.83</b>	<b>248,225.93</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	25	1,603,367.41	398,653.33	445,351.16
(ii) Trade payables				
(a) total outstanding dues of small enterprises and micro enterprises	53	-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	26	87,945.78	78,488.88	95,801.32
(iii) Other financial liabilities	27	50,665.86	81,040.14	101,154.65
Other current liabilities	28	12,893.61	28,732.14	14,255.04
Provisions	29	1,094.00	569.00	2,122.00
Current tax liabilities (net)	30	3,380.75	17,560.66	3,874.98
		<b>1,759,347.41</b>	<b>605,044.15</b>	<b>662,559.15</b>
		<b>1,868,915.39</b>	<b>635,131.46</b>	<b>664,690.86</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				

Significant accounting policies and notes forming part of the financial statements.

1 - 55

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

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W

*R.P.S.*

R. P. Soni

Partner

Membership No: 104796

Mumbai

May 9, 2019



For and on behalf of the Board of Directors

*Puja D'souza*

Puja D'souza

Director

Din: 05136515

*Anshu Kapoor*

Anshu Kapoor

Chief Executive Officer

*Janmejay Upadhyay*

Janmejay Upadhyay

Director

Din: 07448873

*Riyaz Marfatia*

Riyaz Marfatia

Chief Financial Officer

# Edelweiss Global Wealth Management Limited

## Statement of Profit and Loss

(Currency : Indian rupees in thousands)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Revenue from operations</b>			
Fee and commission income	31	536,013.28	752,878.55
Net gain on fair value changes	32	97,123.24	3,657.90
Dividend income	33	-	572.00
Interest income	34	799.21	52.46
Other income	35	5,011.26	6,238.72
<b>Total income</b>		<b>638,946.99</b>	<b>763,399.63</b>
<b>Expenses</b>			
Finance costs	36	98,118.65	62,546.24
Impairment loss on financial instruments	37	4,835.55	32,582.37
Employee benefits expense	38	302,011.26	228,059.68
Depreciation and amortisation expense	8-9	12,673.92	10,365.64
Other expenses	39	228,123.56	186,115.80
<b>Total expenses</b>		<b>645,762.94</b>	<b>519,669.73</b>
<b>(Loss) / Profit before tax</b>		<b>(6,815.95)</b>	<b>243,729.90</b>
<b>Tax expenses:</b>			
Current tax		(1,371.88)	58,067.97
Deferred tax		(80,957.88)	(68,407.93)
<b>Profit for the year</b>		<b>75,513.81</b>	<b>254,069.86</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain on defined benefit plans (OCI)		(570.00)	146.00
Tax effect on remeasurement gain on defined benefit plans (OCI)		(177.84)	45.55
<b>Other Comprehensive Income</b>		<b>(392.16)</b>	<b>100.45</b>
<b>Total comprehensive income</b>		<b>75,121.65</b>	<b>254,170.31</b>
<b>Earnings per equity share: (Face value of Rs 10 each):</b>	41		
Basic and diluted (In Rs.)		4.72	218.20

Significant accounting policies and notes forming part of the financial statements

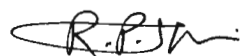
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This is the Statement of Profit and Loss referred to in our report of even date.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W



R. P. Soni

Partner

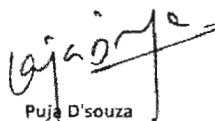
Membership No: 104796

Mumbai

May 9, 2019



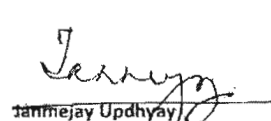
For and on behalf of the Board of Directors



Puja D'souza

Director

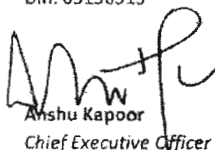
Din: 05136515



Tanmejay Updhyay

Director

Din: 07448873



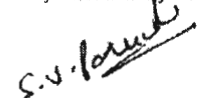
Anshu Kapoor

Chief Executive Officer



Riyaz Marfatia

Chief Financial Officer



Shivangi Parekh

Company Secretary

## Edelweiss Global Wealth Management Limited

### Statement of changes in Equity

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018
<b>a) Equity share capital</b>		
Balance at the beginning of the year	16,000,000	1,000,000
Changes in equity share capital during the year (refer note 21)	-	15,000,000
<b>Balance as at the end of the year</b>	<b>16,000,000</b>	<b>16,000,000</b>

#### b) Other Equity

Particulars	Securities premium (refer note a below)	Deemed capital contribution - ESOP (refer note b below)	Retained earnings	Total
Balance at April 1, 2017 (as per IGAAP)	395,625.00	-	(441,439.26)	(45,814.26)
Ind AS adjustments	(360,000.00)	20,470.57	129,249.47	(210,279.96)
Profit for the year	-	-	254,069.86	254,069.86
Other comprehensive income	-	-	100.45	100.45
Preference shares redeemed	-	-	(137,053.52)	(137,053.52)
ESOP charge	-	3,911.91	-	3,911.91
<b>Balance at March 31, 2018 (Ind AS)</b>	<b>35,625.00</b>	<b>24,382.48</b>	<b>(195,073.00)</b>	<b>(135,065.52)</b>
Profit for the year	-	-	75,513.81	75,513.81
Other comprehensive income	-	-	(392.16)	(392.16)
<b>Balance at March 31, 2019 (Ind AS)</b>	<b>35,625.00</b>	<b>24,382.48</b>	<b>(119,951.35)</b>	<b>(59,943.87)</b>

Notes :

#### i) Securities premium

Securities premium is used to record the premium on issue of shares and can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013

#### ii) Deemed capital contribution - ESOP

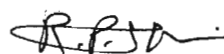
Certain employees of the Company have been granted options to acquire equity shares of the Ultimate Parent Company (Edelweiss Financial Services Limited). This reserve represents the cost of these options based on their fair value at the grant dates as recognised over the vesting period of such options,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

This is the Statement of Changes in Equity referred to in our report of even date.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W



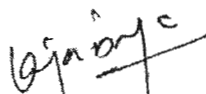
R. P. Soni

Partner

Membership No: 104796



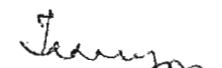
For and on behalf of the Board of Directors



Puja D'souza

Director

Din: 05136515



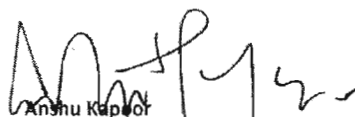
Janmejay Upadhyay

Director

Din: 07448873

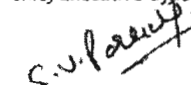
Mumbai

May 9, 2019



Anshu Kapoor

Chief Executive Officer



Shivangi Parekh



Riyaz Marfatia

Chief Financial Officer

## Edelweiss Global Wealth Management Limited

### Cash flow statement

(Currency : Indian rupees in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A Cash flow from operating activities</b>		
(Loss)/Profit before taxation	(6,815.95)	243,729.90
<i>Adjustments for:</i>		
Depreciation, amortisation and impairment	12,673.92	10,365.64
Net gain on financial instruments at fair value through profit or loss	(15,689.75)	-
Provision for Expected Credit Loss (ECL) on trade receivables	(2,546.80)	32,582.37
Profit on sale of fixed assets (net)	(1,987.35)	(444.89)
Profit on sale of long term investment	(94.06)	(3,657.90)
Dividend on long term investment	-	(572.00)
Expense on Employee Stock Option Scheme (ESOP)	-	3,911.91
Interest expense	94,654.57	61,209.74
<b>Operating cash flow before working capital changes</b>	<b>80,194.58</b>	<b>347,124.77</b>
<i>Add / (less): Adjustments for working capital changes</i>		
Increase in trade receivables	(56,377.01)	(15,716.17)
(Increase)/ decrease in loans and other financial assets	(226,164.42)	1,391.51
Decrease in other non financial assets	103,967.85	381.22
Decrease in trade payables and other financial liabilities	(20,917.37)	(37,426.95)
(Decrease)/ increase in provisions and other non-financial liabilities	(11,524.52)	6,779.06
<b>Cash flow (used in)/ generated from operations</b>	<b>(130,820.89)</b>	<b>302,533.44</b>
Income tax paid	29,149.27	42,903.01
<b>Net cash (used in)/ generated from operating activities - A</b>	<b>(159,970.16)</b>	<b>259,630.43</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(588,626.29)	(10,423.74)
Sale of fixed assets	4,574.35	2,919.28
Purchase of long term investments	(418,911.25)	-
Sale of investment	49,827.35	84,780.90
Dividend on long term investment	-	572.00
<b>Net cash (used in)/ generated from investing activities - B</b>	<b>(953,135.84)</b>	<b>77,848.44</b>



## Edelweiss Global Wealth Management Limited

### Cash flow statement (Continued)

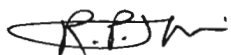
(Currency : Indian rupees in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>C Cash flow from financing activities</b>		
Proceeds from issue of share capital including securities premium	-	150,000.00
Redemption of Subordinated liabilities including premium	-	(400,000.00)
Proceeds from /(repayment of) short term borrowings (net) (refer note below)	1,197,415.38	(40,990.17)
Interest paid	(87,355.86)	(40,752.98)
<b>Net cash generated from/ (used in) financing activities - C</b>	<b>1,110,059.52</b>	<b>(331,743.15)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>(3,046.48)</b>	<b>5,735.72</b>
Cash and cash equivalents as at the beginning of the year	7,174.64	1,438.92
Cash and cash equivalents as at the end of the year (refer note 16)	4,128.16	7,174.64

Note: Net figures have been reported on account of volume of transactions.

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

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

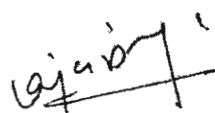


R. P. Soni  
Partner  
Membership No: 104796

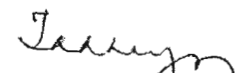


Mumbai  
May 9, 2019

For and on behalf of the Board of Directors



Puja D'souza  
Director  
Din: 05136515



Janmejay Upadhyay  
Director  
Din: 07448873



Anshu Kapoor  
Chief Executive Officer



Riyaz Marfatia  
Chief Financial Officer



Shivangi Parekh  
Company Secretary

Mumbai  
May 9, 2019

# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 1. Background

Edelweiss Global Wealth Management Limited ("the Company") was incorporated on October 9, 2007. The Company is a 100% subsidiary of Edelweiss Financial Services Limited.

The Company holds Investment Advisor registration with Securities and Exchange Board of India (SEBI) for providing advisory services to the clients.

### 2. Basis of preparation of financial statements

The Financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the other relevant provisions of the Companies Act, 2013 ('the Act') and rules thereunder.

For all periods up to and including the year ended March 31, 2018, the Company prepared its Financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 54 for information on how the Company adopted Ind AS.

These Financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value through profit or loss (FVTPL). The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest thousands, except when otherwise indicated.

### 3. Presentation of financial statements

The Company presents its balance sheet in compliance with the Division II of the Schedule III to the Companies Act, 2013.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counterparties

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





# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 3. Presentation of financial statements (Continued)

#### Assets

An asset is classified as current when it is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle or it is held primarily for the purpose of being traded or 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 expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

#### Liabilities

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or 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, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

### 4. Significant accounting policies

#### 4.1 Recognition of interest and dividend income

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

Dividend income is recognised in profit or loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

#### 4.2 Financial Instruments

##### a) Date of recognition

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



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.2 Financial Instruments (*Continued*)

#### b) Initial measurement of financial instruments

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

### 4.3 Classification of financial instruments

#### a) 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:

- Amortised cost
- Fair value through other comprehensive income [FVOCI]
- Fair value through profit or loss [FVTPL]

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

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

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

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

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

#### i. Amortized cost and Effective interest method:

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



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.3 Classification of financial instruments *(Continued)*

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

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

#### ii. Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss.

#### b) Financial liabilities:

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

#### Debt securities and other borrowed funds

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

#### c) Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and mandatorily required to be measured at fair value under Ind AS 109.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

#### d) Financial liabilities and equity instruments

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



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.3 Classification of financial instruments *(Continued)*

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

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

### 4.4 Derecognition of financial assets and financial liabilities

#### a) Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

#### b) Derecognition of financial assets (other than due to substantial modification):

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. The difference between the carrying value of the original financial asset and the consideration received would be recognised in profit or loss.

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

#### c) Derecognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying value of the original financial liability and the



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.4 Derecognition of financial assets and financial liabilities *(Continued)*

consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

### 4.5 Reclassification of financial assets and financial liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

### 4.6 Impairment of financial assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime (Expected Credit Loss (ECLs) at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure expected credit losses.

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

### 4.7 Write off

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

### 4.8 Determination of fair value

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.8 Determination of fair value *(Continued)*

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

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial

statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

### 4.9 Revenue from contract with customer

Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contract and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained.



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.9 Revenue from contract with customer *(Continued)*

The Company recognises revenue from the following sources:

Fee income including advisory fees, referral fees, commission income, is accounted at a point in time as the customer receives and consumes the benefits.

### 4.10 Operating leases

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

### 4.11 Earnings per share

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

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

### 4.12 Foreign currency transactions

The Financial statements are presented in Indian Rupees. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value

### 4.13 Retirement and other employee benefit

Provident fund and national pension scheme

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

#### a) Gratuity

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



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.13 Revenue from contract with customer *(Continued)*

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

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

#### b) Compensated Absences

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

### 4.14 Share-based payment arrangements

Certain employees of the Company have been granted equity-settled ESOPs by the ultimate parent company (Edelweiss Financial Services Limited). The Company recognizes a cost with respect to the services received from the said employees measured by reference to the fair value of the equity instruments granted by the ultimate parent at the grant date.

### 4.15 Share-based payment arrangements *(Continued)*

The fair value determined at the grant date is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in deemed capital contribution from the ultimate parent, to the extent it is not recovered by the ultimate parent company.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the deemed capital contribution to the extent it is not recovered by the ultimate parent company. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

### 4.16 Property, plant and equipment

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





# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.16 Property, plant and equipment (*Continued*)

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

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

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - 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.

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

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

For transition to Ind AS, the Company has elected to continue with carrying value of all of its property, plant and equipment recognised as of April 1, 2017 (transition date) measured as per the previous GAAP notified by MCA rules 2006 and use that carrying value as its deemed cost as of the transition date.



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.17 Intangible assets

The Company's intangible assets mainly include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life.

Intangibles such as software is amortised over a period of upto 5 years based on its estimated useful life.

### 4.18 Impairment of non-financial assets

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

### 4.19 Cash and cash equivalents

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

### 4.20 Provisions and other contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.20 Provisions and other contingent liabilities (*Continued*)

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

### 4.21 Income tax expenses

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

#### a) 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.

#### b) Deferred tax

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

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

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

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

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

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

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



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 4.21 Income tax expenses (*Continued*)

#### c) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In the context of the Company, structured entities comprise alternative investment funds / schemes thereof. The Company consolidates the structured entities that it controls. When making this judgement, the Company also considers voting and similar rights available to itself and other parties, who may limit the Company's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities, the exposure to variability of returns and whether the Company has the ability to use its power to affect the amount of the Company's returns i.e. the variability of returns in relation to the total returns of the investee entity. For disclosures of unconsolidated structured entities, refer Note 10a.

#### Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the Financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### a) Effective interest rate method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/ taken and recognises the effect of characteristics of the product life cycle.



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

### 5 Critical accounting judgements and key sources of estimation uncertainty *(Continued)*

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

#### b) Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has recognised deferred tax assets on carried forward tax losses where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Company expects that there will be sufficient taxable profits to offset these losses.

### 6 Standards issued but not yet effective

#### a) AS 116 Leases:

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

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

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

The application of these amendments is not likely to have a material impact on the financial statements.



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements for the year ended 31 March 2019

(Currency : Indian rupees in thousands)

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

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

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

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

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

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

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

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

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

The application of these amendments is not likely to have a material impact on the Financial statements.



**Edelweiss Global Wealth Management Limited**

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

(Currency : Indian rupees in thousands)

**8 Property, plant and equipment**

	Gross block				Depreciation				Net block
Description of assets	As at April 1, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 1, 2018	Charge for the year	Disposals during the year	As at March 31, 2019	As at March 31, 2019
Leasehold improvements	2,654.35	2,357.01	-	5,011.36	703.30	1,171.46	-	1,874.76	3,136.60
Furniture and fittings	921.98	1,371.50	-	2,293.48	238.69	364.10	-	602.79	1,690.69
Motor vehicles	7,509.93	-	4,014.12	3,495.81	2,351.80	1,053.12	1,555.92	1,849.00	1,646.81
Office equipments	836.50	1,619.55	-	2,456.05	350.52	725.62	-	1,076.14	1,379.91
Computers	4,728.95	1,308.81	468.03	5,569.73	2,478.84	1,819.71	339.21	3,959.34	1,610.39
<b>Total</b>	<b>16,651.71</b>	<b>6,656.87</b>	<b>4,482.15</b>	<b>18,826.43</b>	<b>6,123.15</b>	<b>5,134.01</b>	<b>1,895.13</b>	<b>9,362.03</b>	<b>9,464.40</b>

	Gross block				Depreciation				Net Block
Description of assets	Deemed cost As at April 1, 2017	Additions during the year	Disposals during the year	As at March 31, 2018	As at April 1, 2017	Charge for the year	Disposals during the year	As at March 31, 2018	As at March 31, 2018
Leasehold improvements	2,654.35	-	-	2,654.35	-	703.30	-	703.30	1,951.05
Furniture and fittings	921.96	0.02	-	921.98	-	238.69	-	238.69	683.29
Motor vehicles	10,299.49	-	2,789.56	7,509.93	-	2,777.98	426.18	2,351.80	5,158.13
Office equipments	695.05	254.88	113.43	836.50	-	376.28	25.76	350.52	485.98
Computers	2,549.67	2,205.25	25.97	4,728.95	-	2,481.48	2.64	2,478.84	2,250.11
<b>Total</b>	<b>17,120.52</b>	<b>2,460.15</b>	<b>2,928.96</b>	<b>16,651.71</b>	<b>-</b>	<b>6,577.73</b>	<b>454.58</b>	<b>6,123.15</b>	<b>10,528.56</b>



**Edelweiss Global Wealth Management Limited**

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

(Currency : Indian rupees in thousands)

**9 Other intangible assets**

	Gross block				Depreciation				Net block
Description of assets	As at April 1, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 1, 2018	Charge for the year	Disposals during the year	As at March 31, 2019	As at March 31, 2019
Computer software	11,073.24	580,426.77	-	591,500.01	3,787.91	7,539.91	-	11,327.82	580,172.19
<b>Total</b>	<b>11,073.24</b>	<b>580,426.77</b>	<b>-</b>	<b>591,500.01</b>	<b>3,787.91</b>	<b>7,539.91</b>	<b>-</b>	<b>11,327.82</b>	<b>580,172.19</b>

	Gross block				Depreciation				Net block
Description of assets	Deemed cost As at April 1, 2017	Additions during the year	Disposals during the year	As at March 31, 2018	As at April 1, 2017	Charge for the year	Disposals during the year	As at March 31, 2018	As at March 31, 2018
Computer software	4,914.34	6,158.90	-	11,073.24	-	3,787.91	-	3,787.91	7,285.33
<b>Total</b>	<b>4,914.34</b>	<b>6,158.90</b>	<b>-</b>	<b>11,073.24</b>	<b>-</b>	<b>3,787.91</b>	<b>-</b>	<b>3,787.91</b>	<b>7,285.33</b>





# Edelweiss Global Wealth Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

10 Investments	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<i>(at fair value through Statement of Profit and loss, within India)</i>									
<b>Investments in equity instruments of other companies (fully paid up)</b>									
<b>Quoted</b>									
J Kumar Infraprojects Limited			-			-	5	170,000	43,945.00
Claris Lifesciences Limited			-			-	10	116,000	37,178.00
			-			-			-
<b>Unquoted</b>									
<b>Investments in warrants (partly paid-up)</b>									
AT Invofin Private Limited			-	10	539,896	33,743.50	10	539,896	33,743.50
Less : Allowance for impairment			-			(33,743.50)			(33,743.50)
<b>Investments in units of Alternative Investment Funds</b>									
Forefront Alternative Investment Trust - Forefront Equity Scheme	10	5,018,798	113,923.19			-			-
Ambit Alpha Fund Scheme I	1,000	95,988	112,167.91			-			-
Edelweiss Crossover Opportunities Fund	10	3,550,853	37,203.36			-			-
Edelweiss Catalyst Opportunities Fund	10	10,212,978	106,466.21			-			-
Edelweiss Crossover Opportunities Fund - Series II	10	1,455,610	15,107.05			-			-
			<b>384,867.72</b>			<b>-</b>			<b>81,123.00</b>



## Edelweiss Global Wealth Management Limited

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

(Currency : Indian rupees in thousands)

#### 10a Investments *(Continued)*

##### Unconsolidated Structured Entities

The following tables show the carrying amount of the Company's recorded interest in its Balance sheet as well as the maximum exposure to risk (as defined in below) due to exposures in unconsolidated structured entities:

Particulars	March 31, 2019	
	Carrying amount	Maximum exposure
Investments in units of Alternative Investment Funds	384,867.72	384,867.72
<b>Total Assets</b>	<b>384,867.72</b>	<b>384,867.72</b>
<b>Total Liabilities</b>	-	-
Off-balance sheet exposure	47,500.00	NA
Size of the structured entities	37,459,780.46	NA
Income from the structured entities	15,783.81	NA

The size of the structured entity refers to assets under management of alternative investment funds. For investments in structured entities, the carrying value reflects the Company's maximum exposure to loss.



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>11 Other financial assets</b> <i>(Considered good, unless stated otherwise)</i>			
Security deposits	6,313.70	5,828.88	4,573.14
Other deposits	169.78	169.78	191.54
Receivable towards real estate advances	224,825.60	-	-
	<b>231,309.08</b>	<b>5,998.66</b>	<b>4,764.68</b>
<b>12 Current tax assets (net)</b>			
Advance income taxes	62,076.75	36,997.35	35,908.35
	<b>62,076.75</b>	<b>36,997.35</b>	<b>35,908.35</b>
<b>13 Deferred tax assets (net)</b>			
<b>Deferred tax assets</b>			
Provision for expected credit losses on trade receivables	14,550.52	15,345.12	5,129.62
Difference between book and tax depreciation (including intangibles)	-	3,200.47	2,302.36
Provision for Diminution in value of current investments	-	10,527.97	10,426.74
Provision for leave accumulation	3,309.02	1,785.21	4,191.85
MAT credit entitlement (non-current)	85,684.34	85,684.34	26,495.03
Accumulated losses	147,176.59	-	-
Others (Preliminary expenses)	350.07	476.11	111.24
	<b>251,070.54</b>	<b>117,019.22</b>	<b>48,656.84</b>
<b>Deferred tax liabilities</b>			
Difference between book and tax depreciation (including intangibles)	31,756.94	-	-
Fair valuation of investments	4,895.21	-	-
Fair valuation of other financial assets	16,263.45	-	-
	<b>52,915.60</b>	<b>-</b>	<b>-</b>
	<b>198,154.94</b>	<b>117,019.22</b>	<b>48,656.84</b>
<b>14 Other non financial assets</b> <i>(Considered good, unless stated otherwise)</i>			
Capital advances	87,873.85	295,093.04	292,414.38
	<b>87,873.85</b>	<b>295,093.04</b>	<b>292,414.38</b>
<b>15 Trade receivables</b>			
Receivables considered good - Unsecured	197,645.97	138,722.17	155,588.36
Receivables - Credit impaired	46,636.28	49,183.08	16,600.71
	<b>244,282.25</b>	<b>187,905.25</b>	<b>172,189.07</b>
Less : Allowance for expected credit losses	46,636.28	49,183.08	16,600.71
	<b>197,645.97</b>	<b>138,722.17</b>	<b>155,588.36</b>



## Edelweiss Global Wealth Management Limited

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

(Currency : Indian rupees in thousands)

#### 15 Trade receivables (*Continued*)

##### a Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
As on April 01, 2017	16,600.71
Add: asset originated or acquired (net)	32,582.37
As on March 31, 2018	49,183.08
Less: asset originated or acquired (net)	(2,546.80)
As on March 31, 2019	<b>46,636.28</b>

##### b Provision matrix for trade receivables

Trade receivables days past due	1-90 days	91-180 days	more than 180	Total
<b>As at March 31, 2019</b>				
Estimated total gross carrying amount at default	197,645.97	-	46,636.28	<b>244,282.25</b>
ECL - simplified approach	-	-	(46,636.28)	<b>(46,636.28)</b>
Net carrying amount	<b>197,645.97</b>	-	-	<b>197,645.97</b>
<b>As at March 31, 2018</b>				
Estimated total gross carrying amount at default	122,216.68	16,505.49	49,183.08	<b>187,905.25</b>
ECL - simplified approach	-	-	(49,183.08)	<b>(49,183.08)</b>
Net carrying amount	<b>122,216.68</b>	<b>16,505.49</b>	-	<b>138,722.17</b>
<b>As at April 1, 2017</b>				
Estimated total gross carrying amount at default	114,848.91	40,739.45	16,600.71	<b>172,189.07</b>
ECL - simplified approach	-	-	(16,600.71)	<b>(16,600.71)</b>
Net carrying amount	<b>114,848.91</b>	<b>40,739.45</b>	-	<b>155,588.36</b>



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>16 Cash and cash equivalents</b>			
Cash on hand	8.82	2.82	0.78
Balances with banks - in current accounts	4,119.34	7,171.82	1,438.14
	<b>4,128.16</b>	<b>7,174.64</b>	<b>1,438.92</b>
<b>17 Loans</b> <i>(at amortised cost, unsecured, within India)</i>			
Loans and advances to employees	-	-	132.52
	<b>-</b>	<b>-</b>	<b>132.52</b>
<b>18 Other financial assets</b> <i>(Considered good, unless stated otherwise)</i>			
Margin placed with broker	-	-	2,492.99
Advances recoverable in cash or in kind or for value to be received	854.00	-	-
	<b>854.00</b>	<b>-</b>	<b>2,492.99</b>
<b>19 Current tax assets (net)</b>			
Advance income taxes	-	8,738.16	11,306.45
	<b>-</b>	<b>8,738.16</b>	<b>11,306.45</b>
<b>20 Other current assets</b> <i>(Considered good, unless stated otherwise)</i>			
Input tax credit	99,963.23	-	641.69
Prepaid expenses	7,671.64	4,734.54	4,256.19
Vendor advances	1,211.63	879.13	3,670.27
Advances recoverable in cash or in kind or for value to be received	21.51	-	-
Advances to employees	28.32	31.32	136.71
	<b>108,896.33</b>	<b>5,644.99</b>	<b>8,704.86</b>



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>21 Equity share capital</b>			
<b>Authorised :</b>			
16,000,000 (Previous year: 16,000,000) equity shares of ₹ 10 each	160,000.00	160,000.00	20,000.00
4,000,000 (Previous year: 4,000,000) Preference shares of ₹ 10 each	40,000.00	40,000.00	50,000.00
	<u>200,000.00</u>	<u>200,000.00</u>	<u>70,000.00</u>
<b>Issued, subscribed and paid up:</b>			
16,000,000 (Previous year: 16,000,000) equity shares of ₹ 10 each	160,000.00	160,000.00	10,000.00
	<u>160,000.00</u>	<u>160,000.00</u>	<u>10,000.00</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	16,000,000	160,000.00	1,000,000	10,000.00	1,000,000	10,000.00
Shares issued during the year	-	-	15,000,000	150,000.00	-	-
<b>Outstanding at the end of the year</b>	<u>16,000,000</u>	<u>160,000.00</u>	<u>16,000,000</u>	<u>160,000.00</u>	<u>1,000,000</u>	<u>10,000.00</u>

**b. Terms/rights attached to equity shares :**

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

**c. Shares held by holding Company**

	March 31, 2019		March 31, 2018		April 1, 2017	
	No. of shares	%	No. of shares	%	No. of shares	%
Edelweiss Financial Services Limited, the holding company and its nominees	16,000,000	100%	16,000,000	100%	1,000,000	100%
	<u>16,000,000</u>	<u>100%</u>	<u>16,000,000</u>	<u>100%</u>	<u>1,000,000</u>	<u>100%</u>



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>22 Other Equity</b>			
<b>Securities premium</b>	<b>35,625.00</b>	<b>35,625.00</b>	<b>395,625.00</b>
Less:- Transaction with shareholders in capacity as such	-	-	(360,000.00)
	<b>35,625.00</b>	<b>35,625.00</b>	<b>35,625.00</b>
<b>Deemed capital contribution - ESOP</b>	<b>24,382.48</b>	<b>20,470.57</b>	<b>-</b>
Add : Additions during the year	-	3,911.91	20,470.57
	<b>24,382.48</b>	<b>24,382.48</b>	<b>20,470.57</b>
Opening balance	(195,073.00)	(312,189.79)	(441,439.26)
Add: Profit for the year	75,513.81	254,069.86	-
Add: Other comprehensive income for the year	(392.16)	100.45	-
Add: Transaction with shareholders in capacity as such	-	(137,053.52)	129,249.47
<b>Amount available for appropriation</b>	<b>(119,951.35)</b>	<b>(195,073.00)</b>	<b>(312,189.79)</b>
	<b>(59,943.87)</b>	<b>(135,065.52)</b>	<b>(256,094.22)</b>



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>23 Borrowings</b> (at amortised cost, unsecured, within India)			
Subordinated liabilities - Preference shares	-	-	236,782.06
	-	-	236,782.06
<b>24 Provisions</b>			
Provision for employee benefits			
Gratuity	7,444.00	3,995.00	9,362.87
Compensated leave absences	2,067.85	1,157.83	2,081.00
	9,511.85	5,152.83	11,443.87
<b>25 Borrowings</b> (at amortised cost, unsecured, within India)			
Loan from related parties (repayable on demand at interest rate ranging from 9.30% p.a. to 9.50% p.a. (previous year 10.00% p.a.))	1,603,367.41	398,653.33	445,351.16
	1,603,367.41	398,653.33	445,351.16





## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>26 Trade payables</b>			
Trade payables (includes sundry creditors and provision for expenses)	87,945.78	78,488.88	95,801.32
	<b>87,945.78</b>	<b>78,488.88</b>	<b>95,801.32</b>
<b>27 Other financial liabilities</b>			
Other payables	17,648.96	14,419.00	-
Book overdraft	-	-	2,457.64
Accrued salaries and benefits	32,776.35	66,545.81	98,621.68
Nomination deposits - payables	240.55	75.33	75.33
	<b>50,665.86</b>	<b>81,040.14</b>	<b>101,154.65</b>
<b>28 Other current liabilities</b>			
Revenue received in advance	110.71	986.88	638.73
Withholding taxes, goods and service tax and other taxes payable	10,879.65	23,616.51	9,204.62
Others	1,903.25	4,128.75	4,411.69
	<b>12,893.61</b>	<b>28,732.14</b>	<b>14,255.04</b>
<b>29 Provisions</b>			
Gratuity	700.00	325.00	1,618.00
Compensated absences	394.00	244.00	504.00
	<b>1,094.00</b>	<b>569.00</b>	<b>2,122.00</b>
<b>30 Current tax liabilities (net)</b>			
Provision for taxation	3,380.75	17,560.66	3,874.98
	<b>3,380.75</b>	<b>17,560.66</b>	<b>3,874.98</b>



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

for the year ended  
March 31, 2019

for the year ended  
March 31, 2018

### 31 Fee and commission income

Advisory and other fees	536,013.28	752,878.55
	<b>536,013.28</b>	<b>752,878.55</b>

### 31.1 Below is the disaggregation of the revenue from contracts with customers:

Particulars		
Service transferred at a point in time	533,902.36	750,514.32
Service transferred over time	2,110.92	2,364.23
Total revenue from contract with customers	<b>536,013.28</b>	<b>752,878.55</b>

### 32 Net gain on fair value changes

Profit on trading of securities (net)	86,591.33	-
Fair value gain on investment in units of Alternative Investment Funds	15,689.75	-
Loss on derivative instruments (net)	(58,886.66)	-
Profit on sale of long term investment	94.06	3,657.90
Profit on realisation of real estate capital advances	1,508.30	-
Fair value gain on other financial assets	52,126.46	-
<b>Total net gain on fair value changes</b>	<b>97,123.24</b>	<b>3,657.90</b>

#### Fair value changes:

Realised gain (net)	29,307.03	3,657.90
Unrealised gain (net)	67,816.21	-
<b>Total net gain on fair value changes</b>	<b>97,123.24</b>	<b>3,657.90</b>

### 33 Dividend income

Dividend on long term investment	-	572.00
	-	572.00

### 34 Interest Income

#### On financial assets measured at amortised cost

Interest income on margin with brokers	799.21	49.20
Interest income - Others	-	3.26
	<b>799.21</b>	<b>52.46</b>

### 35 Other income

Profit on sale of fixed assets (net)	1,987.35	444.89
Miscellaneous income	3,023.91	5,793.83
	<b>5,011.26</b>	<b>6,238.72</b>



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	for the year ended March 31, 2019	for the year ended 31 March 2018
<b>36 Finance costs</b>		
<b>On financial liabilities measured at amortised cost</b>		
Interest on borrowings	94,654.57	35,045.32
Interest on subordinated liabilities	-	26,164.42
Other interest expense	3,464.08	1,336.50
	<b>98,118.65</b>	<b>62,546.24</b>
<b>37 Impairment on financial instruments</b>		
Bad- debts and advances written off	7,382.35	-
Allowance for expected credit loss on trade receivables	(2,546.80)	32,582.37
	<b>4,835.55</b>	<b>32,582.37</b>
<b>38 Employee benefit expenses</b>		
Salaries and wages	248,881.53	211,176.62
Contribution to provident and other funds	6,484.77	6,799.54
Expense on employee stock option scheme (ESOP)*	17,648.96	3,911.91
Staff welfare expenses (refer note 52)	28,996.00	6,171.61
	<b>302,011.26</b>	<b>228,059.68</b>

**\* Employee stock option plans**

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



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	for the year ended March 31, 2019	for the year ended 31 March 2018
<b>39 Other expenses</b>		
Advertisement and business promotion	34,363.60	22,820.40
Auditors' remuneration (refer note 39.1 below)	800.00	613.00
Commission and brokerage	56,085.10	42,348.70
Communication	2,021.71	1,816.47
Computer expenses	1,523.82	946.94
Computer software	11,442.01	5,931.90
Corporate social responsibility - Donation (refer note 39.2 below)	-	4,250.00
Donation	-	484.00
Electricity charges (refer note 52)	1,538.74	2,449.33
Foreign exchange loss (net)	30.73	23.21
Legal and professional fees	22,887.31	19,136.44
Membership and subscription	739.39	718.13
Office expenses	49,941.18	39,838.25
Postage and courier	206.05	39.10
Printing and stationery	1,462.43	1,080.70
Rates and taxes	28.95	228.76
Rent (refer note 52)	17,742.53	21,212.92
Repairs and maintenance	856.15	771.73
ROC expenses	-	975.60
Securities transaction tax	195.75	84.78
Seminar and Conference	4,224.12	2,246.88
Goods and service tax expenses	2,119.23	(3,576.54)
Stamp duty	14.26	703.89
Travelling and conveyance	15,920.34	16,294.81
Miscellaneous expenses	745.27	302.96
Housekeeping and security charges	3,234.89	4,373.43
	<b>228,123.56</b>	<b>186,115.80</b>
<b>39.1 Auditors' remuneration:</b>		
As Auditors	800.00	613.00
	<b>800.00</b>	<b>613.00</b>
<b>39.2 Details of Corporate Social Responsibility (CSR) activities</b>		
Gross amount required to be spent by the Company during the year	-	-
Amount spent during the year		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	-	4,250.00
	<b>-</b>	<b>4,250.00</b>



## Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

## 40 Income tax disclosures

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

Particulars	March 31, 2019	March 31, 2018
Current tax	-	60,669.37
Adjustment in respect of current income tax of prior years	(1,371.88)	(2,601.40)
Deferred tax relating to origination and reversal of temporary differences	66,218.72	(68,407.93)
Deferred tax asset recognised on unused tax credit or unused tax losses	(147,176.60)	-
<b>Total tax charge</b>	<b>(82,329.76)</b>	<b>(10,339.96)</b>
Current tax	(1,371.88)	58,067.97
Deferred tax	(80,957.88)	(68,407.93)

b) Reconciliation of total tax charge

Particulars	March 31, 2019	March 31, 2018
Accounting profit before tax as per financial statements	(6,815.95)	243,729.90
Tax rate (in percentage)	31.20%	31.20%
Income tax expense calculated based on this tax rate	(2,126.58)	76,043.73
Adjustment in respect of current income tax of prior years	(1,371.88)	(2,601.40)
Effect of income not subject to tax	(14.35)	(178.46)
Effect of non-deductible expenses	1.67	8,618.16
Effect of recognition of deferred tax asset on prior period losses - earlier not recognised	(89,346.60)	-
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised OR deferred tax assets on losses earlier recognised now considered not recoverable	10,527.98	(93,608.97)
Minimum alternate tax on book profits (incremental portion)	-	60,791.44
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	-	(59,189.31)
Impact of tax rate changes (between two accounting periods)	-	(215.16)
<b>Tax charge for the year recorded in Statement of Profit and Loss</b>	<b>(82,329.76)</b>	<b>(10,339.97)</b>



## 40 Income tax disclosures (Continued)

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

	Movement for the year ended March 31, 2019					
	Opening deferred tax asset as per Ind AS	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Others	Total movement	Closing deferred tax asset as per Ind AS
<b>Deferred taxes in relation to:</b>						
Property, Plant and Equipment and Intangible assets	3,200.47	(34,957.41)	-	-	(34,957.41)	(31,756.94)
Investments	10,527.97	(15,423.17)	-	-	(15,423.17)	(4,895.20)
Trade receivables	15,345.12	(794.60)	-	-	(794.60)	14,550.52
Employee benefits obligations	1,785.21	1,345.97	177.84	-	1,523.81	3,309.02
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	-	147,176.59	-	-	147,176.59	147,176.59
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	85,684.34	-	-	-	-	85,684.34
Other financial assets	-	(16,263.45)	-	-	(16,263.45)	(16,263.45)
Others (Preliminary expenses)	476.11	(126.05)	-	-	(126.05)	350.06
<b>Total</b>	<b>117,019.72</b>	<b>80,957.88</b>	<b>177.84</b>	<b>-</b>	<b>81,135.72</b>	<b>198,154.94</b>

	Movement for the year ended March 31, 2018					
	Opening deferred tax asset as per Ind AS	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Others	Total movement	Closing deferred tax asset as per Ind AS
<b>Deferred taxes in relation to:</b>						
Property, Plant and Equipment and Intangible assets	2,302.36	898.11	-	-	898.11	3,200.47
Investments	10,426.74	101.23	-	-	101.23	10,527.97
Trade receivables	5,129.62	10,215.50	-	-	10,215.50	15,345.12
Employee benefits obligations	4,191.85	(2,361.09)	(45.55)	-	(2,406.64)	1,785.21
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	26,495.03	59,189.31	-	-	59,189.31	85,684.34
Others (Preliminary expenses)	111.24	364.87	-	-	364.87	476.11
<b>Total</b>	<b>48,656.84</b>	<b>68,407.93</b>	<b>(45.55)</b>	<b>-</b>	<b>68,362.38</b>	<b>117,019.22</b>

d) Break-up of recognition of current tax	March 31, 2019	March 31, 2018
In Statement of Profit and Loss	(1,371.88)	58,067.98

e) Break-up of income tax recorded in OCI	March 31, 2019	March 31, 2018
Deferred tax		
Remeasurement gain/ loss on defined benefit plans (OCI)	(177.84)	45.55

f) Details of temporary differences where deferred tax assets have not been recognised in the balance sheet

As at March 31, 2018		Unused tax losses			
Financial Year to which the loss relates to	Unabsorbed Depreciation		Business Loss		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
F.Y. 2014-15	6,742.40	Unlimited	-	-	6,742.40
F.Y. 2016-17	9,082.11	Unlimited	270,185.32	F.Y. 2024-25	279,267.43
<b>Total</b>	<b>15,824.51</b>		<b>270,185.32</b>		<b>286,009.83</b>

As at April 1, 2017		Unused tax losses			
Financial Year to which the loss relates to	Unabsorbed Depreciation		Business Loss		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
F.Y. 2014-15	6,742.40	Unlimited	62,991.13	F.Y. 2022-23	69,733.53
F.Y. 2016-17	9,082.11	Unlimited	504,330.04	F.Y. 2024-25	513,412.15
<b>Total</b>	<b>15,824.51</b>		<b>567,321.18</b>		<b>583,145.69</b>



## Edelweiss Global Wealth Management Limited

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

(Currency : Indian rupees in thousands)

#### 41 Earnings per share

The computation of earning per share is set out below:

Particulars	March 31, 2019	March 31, 2018
Shareholders earnings (as per statement of profit and loss)	75,513.81	254,069.86
Calculation of weighted average number of equity shares of ₹ 10		
– Number of shares at the beginning of the year	16,000,000	1,000,000
– Number of shares issued during the year	-	15,000,000
Total number of equity shares outstanding at the end of the year	16,000,000	16,000,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	16,000,000	1,164,384
Basic and Diluted earnings per share (in Rs.)	4.72	218.20

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



(Currency: Indian Rupees in thousands)

#### 42 Segment reporting

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

Segment	Activities Covered
Agency business	Advisory and product distribution services
Capital based business	Income from treasury operations, income from investments and dividend income

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.

The following table gives information as required under the Ind AS 108 on Operating Segment Reporting:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>I Segment revenue</b>		
a) Agency business	592,414.48	758,666.76
b) Capital based business	44,287.70	4,279.09
c) Unallocated	2,244.81	453.78
<b>Total Income</b>	<b>638,946.99</b>	<b>763,399.63</b>
<b>II Segment results</b>		
a) Agency business	(1,591.08)	238,997.03
b) Capital based business	(7,609.72)	4,279.09
c) Unallocated	2,384.85	453.78
<b>Total</b>	<b>(6,815.95)</b>	<b>243,729.90</b>
<b>(Loss)/ profit before taxation</b>	<b>(6,815.95)</b>	<b>243,729.90</b>
Less : Provision for taxation	(82,329.76)	(10,339.96)
<b>Profit after taxation</b>	<b>75,513.81</b>	<b>254,069.86</b>
<b>III Segment assets</b>		
a) Agency business	1,223,815.98	472,376.72
b) Capital based business	384,867.72	-
c) Unallocated	260,231.69	162,754.74
<b>Total</b>	<b>1,868,915.39</b>	<b>635,131.46</b>
<b>IV Segment liabilities</b>		
a) Agency business	1,482,124.30	592,636.32
b) Capital based business	283,354.22	-
c) Unallocated	3,380.74	17,560.66
<b>Total</b>	<b>1,768,859.26</b>	<b>610,196.98</b>
<b>V Capital expenditure ( Including Capital Work-In-Progress )</b>		
a) Agency business	588,626.29	10,423.74
b) Capital based business	-	-
c) Unallocated	-	-
<b>Total</b>	<b>588,626.29</b>	<b>10,423.74</b>
<b>VI Depreciation, amortisation and impairment</b>		
a) Agency business	12,673.92	10,365.64
b) Capital based business	-	-
c) Unallocated	-	-
<b>Total</b>	<b>12,673.92</b>	<b>10,365.64</b>
<b>VII Significant non-cash expenses other than depreciation, amortisation and impairment</b>		
a) Agency business	8,838.87	33,157.33
b) Capital based business	26.69	-
c) Unallocated	-	-
<b>Total</b>	<b>8,865.56</b>	<b>33,157.33</b>





# Edelweiss Global Wealth Management Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in thousands)

### 43. Disclosure pursuant to Ind AS 19 - Employee benefits

#### A) Defined contribution plan (Provident fund):

An amount of ₹ 6,429.89 thousand (Previous year: ₹ 6,723.20 thousand) is recognised as expenses and included in "Employee benefit expenses" – as per note 38 in the statement of profit and loss.

#### B) Defined benefit plan (gratuity):

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

### Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2019	March 31, 2018
<b>Present Value of DBO at start of the year</b>	<b>4,320.00</b>	10,980.00
<i>Service cost</i>		
a. Current service cost	<b>2,038.00</b>	1,171.00
b. Past service cost	-	565.00
c. Loss/(Gain) from settlement	-	-
Interest cost	<b>362.00</b>	169.00
Benefits paid	-	-
<i>Re-measurements</i>		
a. Actuarial loss/(gain) from changes in demographic assumptions	-	-
b. Actuarial loss/(gain) from changed in financials assumptions	<b>104.00</b>	(110.00)
c. Actuarial loss/(gain) from experience over last past year	<b>466.00</b>	(36.00)
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Transfer in / (out)	<b>854.00</b>	(8,419.00)
<b>Present value of DBO at end of the year</b>	<b>8,144.00</b>	4,320.00



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in thousands)

#### 43. Disclosure pursuant to Ind AS 19 - Employee benefits (Continued)

##### Expenses recognised in the statement of profit and loss

	March 31, 2019	March 31, 2018
<i>Service Cost</i>		
a.Current service cost	<b>2,038.00</b>	1,171.00
b.Past service cost	-	565.00
c.Loss/(gain) from settlement	-	-
Net Interest on net defined benefit liability / (asset)	<b>362.00</b>	169.00
Changes in foreign exchange rate	-	-
<b>Employer expenses</b>	<b>2,400.00</b>	1,905.00

##### Net liability recognised in the Balance sheet

	March 31, 2019	March 31, 2018
Present value of DOB	<b>8,144.00</b>	4,320.00
Fair value of plan assets	-	-
Liability recognised in the Balance Sheet	<b>8,144.00</b>	4,320.00
Funded status [(deficit)]	<b>(8,144.00)</b>	(4,320.00)
Of which, short term liability	<b>700.00</b>	325.00
Experience adjustment on plan liabilities:(gain)/loss	<b>466.00</b>	(36.00)



## Edelweiss Global Wealth Management Limited

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

(Currency: Indian rupees in thousands)

#### 43. Disclosure pursuant to Ind AS 19 - Employee benefits (*Continued*)

##### Actuarial assumptions:

	March 31, 2019	March 31, 2018
Salary growth rate (% p.a.)	7% p.a	7% p.a
Discount rate (% p.a.)	6.7% p.a	7% p.a
Withdrawal rate (% p.a.)		
Senior	13% p.a	13% p.a
Middle	30% p.a	30% p.a
Junior	60% p.a	60% p.a
Mortality	IALM 2012-14 (Ultimate)	IALM 2006-08 (Ultimate)
Interest rate on Net DBO/ (Asset) (% p.a.)	7% p.a	6.6% p.a
Expected weighted average remaining working life (years)	5 Years	5 Years

##### Movement in other comprehensive income

	March 31, 2019	March 31, 2018
<b>Balance at start of year (loss)/ gain</b>	<b>NIL*</b>	<b>NIL*</b>
<i>Re-measurements on DBO</i>		
a.Actuarial loss/(gain) from changes in demographic assumptions	-	-
b.Actuarial loss/(gain) from changed in financials assumptions	(104.00)	110.00
c.Actuarial loss/(gain) from experience over last past year	(466.00)	36.00
<i>Re-measurements on plan assets</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	-	-
<b>Balance at end of year (loss)/ gain</b>	<b>(570.00)</b>	<b>146.00</b>

\* Ind AS 19 is being adopted from F.Y. 2018-19 and date of transition being April 1, 2017, so prior year's disclosures are for comparative purposes only



## Edelweiss Global Wealth Management Limited

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

(Currency: Indian rupees in thousands)

#### 43. Disclosure pursuant to Ind AS 19 - Employee benefits (*Continued*)

##### Sensitivity Analysis

DOB increases / (decreases ) by	March 31, 2019	March 31, 2018
1 % Increase in salary growth rate	602.00	306.00
1 % Decrease in salary growth rate	(550.00)	(280.00)
1 % Increase in discount rate	(547.00)	(278.00)
1 % Decrease in discount rate	609.00	309.00
1 % Increase in withdrawal rate	(81.00)	(49.00)
1 % Decrease in withdrawal rate	83.00	50.00
Mortality (increase in expected lifetime by 1 year)	Negligible change	Negligible change
Mortality (increase in expected lifetime by 3 year)	Negligible change	Negligible change

##### Movement in surplus / (deficit)

	March 31, 2019	March 31, 2018
<b>Surplus / (deficit) at start of year</b>	<b>(4,320.00)</b>	<b>(10,980.00)</b>
Net (acquisition) / divestiture	-	-
Net transfer (in)/ out	(854.00)	8,419.00
Movement during the year		
Current service cost	(2,038.00)	(1,171.00)
Past service cost	-	(565.00)
Net interest on net DBO	(362.00)	(169.00)
Changes in foreign exchange rate	-	-
Re-measurements	(570.00)	146.00
Contributions / benefits	-	-
<b>Deficit at end of year</b>	<b>(8,144.00)</b>	<b>(4,320.00)</b>



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

#### 44 Contingent liabilities and capital commitments

##### a. Contingent liabilities

Particulars	March 31, 2019	March 31, 2018
Taxation matters	994.55	994.55

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

##### b. Capital commitments

Particulars	March 31, 2019	March 31, 2018
Towards Property, plant and equipment	7,614.96	5,762.27
Towards Investment in Alternative Investment Funds as Sponsor	47,500.00	-



# Edelweiss Global Wealth Management Limited

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

(Currency: Indian rupees in thousands)

### 45. Disclosure of Related parties as required under Ind AS 24 - "Related Party Disclosure"

**(a) Name of related parties by whom control is exercised**

Edelweiss Financial Services Limited

Holding company

**(b) Fellow subsidiaries with whom transactions have taken place during the year:**

EC Commodity Limited

Edelweiss Securities Limited

Edelweiss Multi Strategy Fund Advisors LLP

Edelweiss Custodial Services Limited

Edelweiss Asset Management Limited

ECL Finance Limited

Edelweiss Finvest Private Limited

Edelweiss Alternative Asset Advisors Limited

Edelweiss Trustee Services Limited

ECap Equities Limited\*

Edelweiss Asset Management Limited\*\*

Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)\*\*\*

Edelweiss Broking Limited

Edelweiss Retail Finance Limited

Edelweiss Housing Finance Limited

Edelweiss Investment Adviser Limited

Edelweiss Insurance Brokers Limited

Edelweiss Insurance Brokers Limited

Edelweiss Comtrade Limited

Edelweiss Asset Reconstruction Company Limited

\*Olive Business Centre Limited, Burlington Business Solutions Limited, Auris Corporate Centre Limited, Serenity Business Park Limited and Eternity Business Centre Limited have been merged into ECap Equities Limited w.e.f. April 21, 2018

\*\*Edelweiss Multi Strategy Private Limited have been merged into Edelweiss Asset Management Limited w.e.f. February 1, 2019



## Edelweiss Global Wealth Management Limited

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

(Currency: Indian rupees in thousands)

#### 45. Disclosure of Related parties as required under Ind AS 24 - "Related Party Disclosure" (Continued)

##### (b) Fellow subsidiaries with whom transactions have taken place during the year (continued)

\*\*\*Edel Commodities Limited and EFSL Trading Limited was merged into EFSL Comtrade Limited vide Order of National Company Law Tribunal at Hyderabad w.e.f. May 4, 2018.

Further, EFSL Comtrade Limited, Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, Edelweiss Capital Markets Limited and Edelweiss Fund Advisors Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) w.e.f. February 18, 2019.

Accordingly, all related party transactions entered during the year and the outstanding balances thereof, as at the end of the year relating to the transferor companies are considered to be entered with the transferee companies and accordingly included in the related party transactions of the Company.



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

#### 45 Disclosure of Related parties as required under Ind AS-24- "Related Party Disclosure" (Continued)

##### (c) Transactions with related parties:

Nature of Transactions	Related party name	March 31, 2019	March 31, 2018
<b>Capital account transactions</b>			
Issue of equity shares to	Edelweiss Financial Services Limited	-	150,000.00
Redemption of preference shares from	EC Commodity Limited	-	150,000.00
	Edelweiss Securities Limited	-	250,000.00
Purchase of units of Alternate Investment Funds from	Edelweiss Multi Strategy Fund Advisors LLP	286,411.25	-
<b>Current account transactions</b>			
Short term loans taken from (Refer note below)	Edelweiss Rural & Corporate Services Limited	7,324,883.11	139,046.05
Short term loans repaid to (Refer note below)	Edelweiss Rural & Corporate Services Limited	6,127,467.73	80,036.22
Margin placed with (Refer note below)	Edelweiss Custodial Services Limited	357,659.60	-
	Edelweiss Securities Limited	-	24,998.36
Margin withdrawn from (Refer note below)	Edelweiss Custodial Services Limited	357,659.60	2,380.14
	Edelweiss Securities Limited	-	25,111.21
Nomination deposit given to	Edelweiss Financial Services Limited	-	400.00
Nomination deposit received from	Edelweiss Financial Services Limited	-	400.00
Referral fees earned from	Edelweiss Asset Management Limited	8,842,701.33	69,743.30
	Edelweiss Multi Strategy Fund Advisors LLP	-	27,513.77
Commission income received from	ECL Finance Limited	334,740.90	307,191.96
	Edelweiss Finvest Private Limited	26,766.02	9,909.87
	Edelweiss Alternative Asset Advisors Limited	15,160.00	-
	Edelweiss Trustee Services Limited	900.00	-
Interest income on margin placed with	Edelweiss Custodial Services Limited	799.21	49.13
	Edelweiss Securities Limited	-	0.07
Interest expenses on loans from	Edelweiss Rural & Corporate Services Limited	94,654.57	24,111.18
Clearing charges paid to	Edelweiss Custodial Services Limited	10.00	-
Brokerage paid to	Edelweiss Securities Limited	96.84	3.65
Rent Paid to	Edelweiss Rural & Corporate Services Limited	6,846.75	12,874.78
	ECap Equities Limited	550.66	1,770.29
	ECL Finance Limited	1,341.35	124.46
	Edelweiss Broking Limited	-	94.00
Business support service charges paid to	Edelweiss Rural & Corporate Services Limited	49,858.58	41,241.43
Reimbursements paid to	Edelweiss Rural & Corporate Services Limited	547.42	53,122.34
Cost reimbursements paid to	Edelweiss Rural & Corporate Services Limited	636.78	1,538.97
	Edelweiss Financial Services Limited	1,814.15	1,299.39
	ECap Equities Limited	117.42	145.95
	Edelweiss Broking Limited	-	65.70
	Edelweiss Securities Limited	287.67	875.14
Purchase of Property, plant & equipments & Intangibles from	Edelweiss Broking Limited	573,843.46	-
	Edelweiss Trustee Services Limited	3,551.37	-
	Edelweiss Retail Finance Limited	-	33.30





## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

#### 45 Disclosure of Related parties as required under Ind AS-24- "Related Party Disclosure" (Continued)

##### (c) Transactions with related parties (Continued) :

Nature of Transactions	Related party name	March 31, 2019	March 31, 2018
Sale of Property, plant & equipments to	Edelweiss Broking Limited	1,855.17	-
	Edelweiss Rural & Corporate Services Limited	5.51	1,144.16
	Others	54.90	-
	Edelweiss Financial Services Limited	18.24	-
	ECL Finance Limited	17.45	-
	Edelweiss Insurance Brokers Limited	15.84	-
	Edelweiss Housing Finance Limited	1.65	-
	Edelweiss Comtrade Limited	1.73	-
<b>Balances with related parties - (Liabilities)</b>			
Share Capital held by	Edelweiss Financial Services Limited	160,000.00	160,000.00
Short term loans taken from	Edelweiss Rural & Corporate Services Limited	1,595,262.24	397,846.86
Trade payables to	Edelweiss Rural & Corporate Services Limited	18,478.91	23,834.33
	Edelweiss Asset Management Limited	7,897.44	14,564.21
	ECL Finance Limited	260,365.00	-
	Edelweiss Securities Limited	78,633.00	114.16
	Edelweiss Financial Services Limited	69,402.00	-
	Edelweiss Broking Limited	64,296.00	-
	ECap Equities Limited	-	33.80
Other payable to	Edelweiss Broking Limited	-	6,877.00
	Edelweiss Financial Services Limited	17,648.96	-
	Edelweiss Rural & Corporate Services Limited	-	1,473.00
	Edelweiss Asset Reconstruction Company Limited	-	56.00
	Edelweiss Alternative Asset Advisors Limited	-	13.00
Accrued interest on loans taken from	Edelweiss Rural & Corporate Services Limited	8,105.17	806.46
<b>Balances with related parties - (Assets)</b>			
Trade receivables from	ECL Finance Limited	76,589.03	104,220.85
	Edelweiss Multi Strategy Fund Advisors LLP	-	13,744.57
	Edelweiss Alternative Asset Advisors Limited	11,968.88	-
	Edelweiss Broking Limited	8,045.99	53.90
	Edelweiss Finvest Private Limited	8,035.69	4,052.00
	Edelweiss Trustee Services Limited	1,062.00	-
	Edelweiss Housing Finance Limited	112.75	40.22
	Edelweiss Investment Adviser Limited	30.01	35.46
	Edelweiss Securities Limited	9.81	-
	Edelweiss Financial Services Limited	4.29	13.43
	Edelweiss Insurance Brokers Limited	2.51	20.61
	Edelweiss Rural & Corporate Services Limited	0.63	0.18
	Edelweiss Asset Management Limited	-	17.73
	Edelweiss Retail Finance Limited	-	17.73
Other receivables	Edelweiss Broking Limited	854.00	-

#### Note :-

1. Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.
2. Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee: Loans have been given for general business purpose.

#### 46 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company maintains healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

In addition to above, the Company is required to maintain minimum networth as prescribed by regulatory authorities. The management ensures that this is complied.



# Edelweiss Global Wealth Management Limited

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

(Currency : Indian rupees in thousands)

### 47 Fair Values of Financial Instruments (*Continued*)

#### Movement in level 3 financial instruments measured at fair value

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

Particulars	Investments in units of Alternative Investment Funds
<b>As at April 1, 2018</b>	-
Purchase	418,911.25
Redemption	(49,733.28)
Gains for the year ended March 31, 2019 recognised in statement of profit and loss	15,689.75
<b>As at March 31, 2019</b>	<b>384,867.72</b>
Unrealised gains related to balances held at the end of the year	15,689.75

*Nil disclosure for year ended March 31, 2018*



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

#### 47 Fair Values of Financial Instruments

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

March 31, 2019				
Particulars	Level 1	Level 2	Level 3	Total
Investments in Units of Alternative Investment funds (refer note a below)	-	-	384,867.72	384,867.72
Other financial assets (refer note b below)	-	224,825.60	-	224,825.60
April 1, 2017				
Particulars	Level 1	Level 2	Level 3	Total
Investments in Equity instruments (refer note c below)	81,123.00	-	-	81,123.00

Nil disclosure for March 31, 2018

- Units held in Alternative Investment Funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments of Alternative Investment Funds are classified at Level 3.
- The Company has measured the fair value of other financial assets by using comparable market price of similar units within the same real estate property.
- The equity instruments are actively traded on recognized stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1.

#### Financial instruments not measured at fair value:

With respect to financial instruments not measured at fair value, their carrying amounts approximates fair value.



**Edelweiss Global Wealth Management Limited****Notes to the financial statements (Continued)**

(Currency : Indian rupees in thousands)

**47 Fair Values of Financial Instruments (Continued)****Unobservable inputs used in measuring fair value categorised within Level 3**

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

Type of Financial Instruments	Fair value of asset as on March 31, 2019	Fair value of liability as on March 31, 2019	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value in statement of profit and loss	Decrease in the unobservable input (% or as the case may be)	Change in fair value in statement of profit and loss
Investments in units of AIF	384,867.72	-	Net Asset Value	Fair value of underlying Net Assets of the Funds	1,392,329.91 thousand - 13,329,354.34 thousand	5%	17,940.77	5%	(17,940.77)

Nil disclosure for March 31, 2018 and April 1, 2017



# Edelweiss Global Wealth Management Limited

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

(Currency: Indian rupees in thousands)

### 48. Risk Management

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market price risk. It is also subject to various operating and business risks.

#### **Risk management structure**

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee.

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

The Global Risk Group is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

#### **Credit risk**

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

#### **Liquidity risk**

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of cash, group loan support which are callable any time at the Company's discretion, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

### 48 Risk Management (Continued)

#### Analysis of non-derivative financial assets by remaining contractual maturities (Continued)

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial assets as at the year end:

As at March 31, 2019	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Cash and cash equivalent	4,128.16	-	-	-	-	4,128.16
Trade receivables	197,645.97	-	-	-	-	197,645.97
Investments at fair value through profit or loss	-	-	-	384,867.72	-	384,867.72
Other financial assets	854.00	-	-	231,309.08	-	232,163.08
<b>Total undiscounted non-derivative financial assets</b>	<b>202,628.13</b>	<b>-</b>	<b>-</b>	<b>616,176.80</b>	<b>-</b>	<b>818,804.93</b>

As at March 31, 2018	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Cash and cash equivalent	7,174.64	-	-	-	-	7,174.64
Trade receivables	138,722.17	-	-	-	-	138,722.17
Other financial assets	-	-	-	5,998.66	-	5,998.66
<b>Total undiscounted non-derivative financial assets</b>	<b>145,896.81</b>	<b>-</b>	<b>-</b>	<b>5,998.66</b>	<b>-</b>	<b>151,895.47</b>

As at April 1, 2017	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Cash and cash equivalent	1,438.92	-	-	-	-	1,438.92
Trade receivables	155,588.36	-	-	-	-	155,588.36
Loans	-	-	132.52	-	-	132.52
Investments at fair value through profit or loss	-	-	-	81,123.00	-	81,123.00
Other financial assets	2,492.99	-	-	4,764.68	-	7,257.67
<b>Total undiscounted non-derivative financial assets</b>	<b>159,520.27</b>	<b>-</b>	<b>132.52</b>	<b>85,887.68</b>	<b>-</b>	<b>245,540.47</b>



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

### 48 Risk Management (Continued)

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

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial liabilities as at the year end:

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at March 31, 2019	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Trade payables	87,945.78	-	-	-	-	87,945.78
Borrowings	1,603,367.41	-	-	-	-	1,603,367.41
Other financial liabilities	50,425.31	-	240.55	-	-	50,665.86
<b>Total undiscounted non-derivative financial liabilities</b>	<b>1,741,738.50</b>	<b>-</b>	<b>240.55</b>	<b>-</b>	<b>-</b>	<b>1,741,979.05</b>

As at March 31, 2018	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Trade payables	78,488.88	-	-	-	-	78,488.88
Borrowings	398,653.33	-	-	-	-	398,653.33
Other financial liabilities	80,964.81	-	75.33	-	-	81,040.14
<b>Total undiscounted non-derivative financial liabilities</b>	<b>558,107.02</b>	<b>-</b>	<b>75.33</b>	<b>-</b>	<b>-</b>	<b>558,182.35</b>

As at April 1, 2017	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Trade payables	95,801.32	-	-	-	-	95,801.32
Borrowings	445,351.16	-	-	-	-	445,351.16
Borrowings - subordinated liabilities - preference shares	-	-	-	-	400,000.00	400,000.00
Other financial liabilities	101,079.32	-	75.33	-	-	101,154.65
<b>Total undiscounted non-derivative financial liabilities</b>	<b>642,231.80</b>	<b>-</b>	<b>75.33</b>	<b>-</b>	<b>400,000.00</b>	<b>1,042,307.13</b>



# Edelweiss Global Wealth Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

### 48 Risk Management (Continued)

#### Analysis of risk concentration by Industry

##### Industry analysis - Risk concentration for March 31, 2019

Particulars	Financial services	Construction	Services	Total
<b>Financial assets</b>				
Cash and cash equivalent	4,128.16	-	-	4,128.16
Trade receivables	197,645.97	-	-	197,645.97
Investments	384,867.72	-	-	384,867.72
Other financial assets	854.00	224,825.60	6,483.48	232,163.08
<b>Total</b>	<b>587,495.85</b>	<b>224,825.60</b>	<b>6,483.48</b>	<b>818,804.93</b>

##### Industry analysis - Risk concentration for March 31, 2018

Particulars	Financial services	Construction	Services	Total
<b>Financial assets</b>				
Cash and cash equivalent	7,174.64	-	-	7,174.64
Trade receivables	98,752.98	39,969.19	-	138,722.17
Other financial assets	-	-	5,998.66	5,998.66
<b>Total</b>	<b>105,927.62</b>	<b>39,969.19</b>	<b>5,998.66</b>	<b>151,895.47</b>

##### Industry analysis - Risk concentration for April 1, 2017

Particulars	Financial services	Construction	Pharmaceuticals	Services	Total
<b>Financial assets</b>					
Cash and cash equivalent	1,438.92	-	-	-	1,438.92
Trade receivables	120,157.61	35,430.75	-	-	155,588.36
Loans	132.52	-	-	-	132.52
Investments	-	43,945.00	37,178.00	-	81,123.00
Other financial assets	2,492.99	-	-	4,764.68	7,257.67
<b>Total</b>	<b>124,222.04</b>	<b>79,375.75</b>	<b>37,178.00</b>	<b>4,764.68</b>	<b>245,540.47</b>





## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

#### 48 Risk Management (Continued)

##### Collateral held and other credit enhancements

The table show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

March 31, 2019	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
<b>Financial assets</b>		
Trade receivables (Gross)	244,282.25	Unsecured
Other financial assets	232,163.08	Unsecured
<b>Total financial assets at amortised cost</b>	<b>476,445.33</b>	

March 31, 2018	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
<b>Financial assets</b>		
Trade receivables (Gross)	187,905.25	Unsecured
Other financial assets	5,998.66	Unsecured
<b>Total financial assets at amortised cost</b>	<b>193,903.91</b>	

April 1, 2017	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
<b>Financial assets</b>		
Employee Loans	132.52	Unsecured
Trade receivables (Gross)	172,189.07	Unsecured
Other financial assets	7,257.67	Unsecured
<b>Total financial assets at amortised cost</b>	<b>179,579.26</b>	



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

#### 48 Risk Management (Continued)

##### Market risk - Other price risk

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

Impact on	March 31, 2019			
	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Units of Alternative Investment Funds	5	17,940.77	5	(17,940.77)
Other financial assets	5	11,241.28	5	(11,241.28)

Nil disclosure for the year ended March 31, 2018



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

#### 48 Risk Management (Continued)

##### Total market risk exposure

The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

Particulars	March 31, 2019			March 31, 2018			April 1, 2017		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>									
Cash and cash equivalent	4,128.16	-	4,128.16	7,174.64	-	7,174.64	1,438.92	-	1,438.92
Loans	-	-	-	-	-	-	132.52	-	132.52
Trade receivables	197,645.97	-	197,645.97	138,722.17	-	138,722.17	155,588.36	-	155,588.36
Other financial assets	232,163.08	-	232,163.08	5,998.66	-	5,998.66	7,257.67	-	7,257.67
Investments	384,867.72	-	384,867.72	-	-	-	81,123.00	-	81,123.00
<b>Total</b>	<b>818,804.93</b>	<b>-</b>	<b>818,804.93</b>	<b>151,895.47</b>	<b>-</b>	<b>151,895.47</b>	<b>245,540.47</b>	<b>-</b>	<b>245,540.47</b>
<b>Liabilities</b>									
Borrowings	1,603,367.41	-	1,603,367.41	398,653.33	-	398,653.33	445,351.16	-	445,351.16
Borrowings - subordinated liabilities - preference shares	-	-	-	-	-	-	236,782.06	-	236,782.06
Trade payables	87,945.78	-	87,945.78	78,488.88	-	78,488.88	95,801.32	-	95,801.32
Other liabilities	50,665.86	-	50,665.86	81,040.14	-	81,040.14	101,154.65	-	101,154.65
<b>Total</b>	<b>1,741,979.05</b>	<b>-</b>	<b>1,741,979.05</b>	<b>558,182.35</b>	<b>-</b>	<b>558,182.35</b>	<b>879,089.19</b>	<b>-</b>	<b>879,089.19</b>



## Edelweiss Global Wealth Management Limited

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

(Currency : Indian rupees in thousands)

#### 50 Change in liabilities arising from financing activities

Particulars	As at April 1, 2018	Cashflows During the year	Others During the year *	As at March 31, 2019
Borrowings	398,653.33	1,197,415.38	7,298.70	-
<b>Total liabilities from financing activities</b>	<b>398,653.33</b>	<b>1,197,415.38</b>	<b>7,298.70</b>	<b>-</b>

\* Includes the effect of accrued but not paid interest on borrowing etc.

Particulars	As at April 1, 2018	Cashflows During the year	Others During the year *	As at March 31, 2019
Borrowings	445,351.16	(40,990.17)	(5,707.66)	398,653.33
Borrowings - subordinated liabilities - preference shares	236,782.06	(400,000.00)	163,217.94	-
<b>Total liabilities from financing activities</b>	<b>682,133.22</b>	<b>(440,990.17)</b>	<b>157,510.28</b>	<b>398,653.33</b>

\* Includes the effect of accrued but not paid interest on borrowing and adjustemnt of retained earnings on account of redemption of preference shares.



## Edelweiss Global Wealth Management Limited

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

(Currency: Indian rupees in thousands)

#### 51 Earnings and expenditure in foreign currency:

The Company has incurred expenditure in foreign currency ₹ 15,645.71 thousand during the year ended March 31, 2019 (Previous year: ₹ 14,826.38 thousand)

#### 52 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees. On the same lines, branch running costs expended by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 38 and 39 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

#### 53 Details of dues to micro enterprise 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.

#### 54 First-time adoption – mandatory exceptions, optional exemptions

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

##### ***Exemptions applied***

##### a) Derecognition of financial assets and financial liabilities

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

##### b) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available



# Edelweiss Global Wealth Management Limited

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

(Currency: Indian rupees in thousands)

### 54 First-time adoption – mandatory exceptions, optional exemptions *(Continued)*

without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

c) Deemed cost for property, plant and equipment, investment property, and intangible assets

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

d) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

e) Share-based payments

The Company has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (April 1, 2017).



## Edelweiss Global Wealth Management Limited

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

(Currency : Indian rupees in thousands)

#### 54 First-time adoption - mandatory exceptions, optional exemptions (*Continued*)

Reconciliation of Net Profit for the year ended March 31, 2018 as reported under erstwhile Indian GAAP and Ind AS are summarised as below:

Particulars	Year Ended March 31, 2018
<b>Net profit after tax as reported under Indian GAAP</b>	<b>270,748.74</b>
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:	
Preference shares issued to Group companies	(26,164.42)
Fair valuation of non-current investments (quoted)	13,497.90
ESOP fair value charge	(3,911.91)
Remeasurement of defined benefit plans (actuarial gains / losses)	(146.00)
Tax effect on above adjustments	45.55
<b>Net profit as per Ind AS</b>	<b>254,069.86</b>
Other Comprehensive Income after tax as per Ind AS	100.45
<b>Total Comprehensive Income as per Ind AS</b>	<b>254,170.31</b>

Other Comprehensive Income primarily includes impact of re-measurement gains/losses on actuarial valuation of post employment defined benefits.

Reconciliation of Network as reported under erstwhile Indian GAAP and Ind AS are summarised as below:

Particulars	As at March 31, 2018	As at April 1, 2017
<b>Shareholder's Equity as reported under Indian GAAP</b>	<b>24,934.48</b>	<b>4,185.74</b>
Ind AS adjustments increasing / (decreasing) network as reported under Indian GAAP:		
Preference shares issued to Group companies	-	(236,782.06)
Fair valuation of non-current investments (quoted)	-	(13,497.90)
<b>Shareholder's Equity as per Ind AS</b>	<b>24,934.48</b>	<b>(246,094.22)</b>

#### Statement of cash flows

The transition from Indian GAAP to Ind AS dose not have a material impact on the statement of cash flows.



## Edelweiss Global Wealth Management Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in thousands)

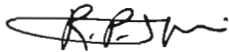
#### 55 Previous period comparative

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

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No.: 119850W



R. P. Soni

Partner

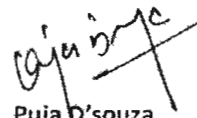
Membership No: 104796



Mumbai

Date : May 9, 2019

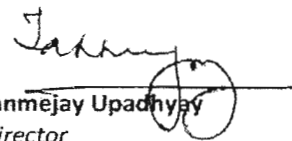
For and on behalf of the Board of Directors



Puja D'souza

Director

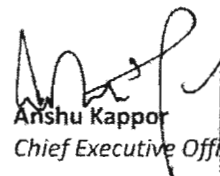
Din : 05136515



Janmejay Upadhyay

Director

Din : 07448873



Anshu Kappor

Chief Executive Officer



Riyaz Marfatia

Chief Financial Officer



Shivangi Parekh

Company Secretary

Mumbai

Date : May 9, 2019