

Edelweiss Global Wealth Management Limited

Financial Statements

together with Auditors' Report

for the year ended 31 March 2018

Edelweiss Global Wealth Management Limited

Financial statements together with Auditors' Report *for the year ended 31 March 2018*

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To
The Members of Edelweiss Global Wealth Management Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



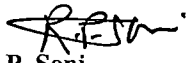
Opinion

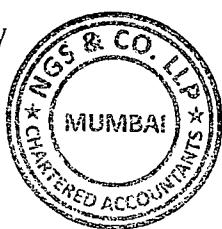
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,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

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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
 - e. on the basis of written representations received from the Directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of section 164(2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. 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: 26 April 2018

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 31 March 2018, 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 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.
- (c) 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) Based on our examination of documents and records, the Company does not own any inventory during the year. Therefore, the provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the 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: 26 April 2018

Annexure B to the Auditors' Report

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 31 March 2018 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 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: 26 April 2018

Edelweiss Global Wealth Management Limited

Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	160,000,000	50,000,000
Reserves and surplus	2.2	(135,065,519)	(45,814,263)
		<u>24,934,481</u>	<u>4,185,737</u>
Non-current liabilities			
Long-term provisions	2.3	5,152,838	11,443,872
Current liabilities			
Short-term borrowings	2.4	397,846,864	438,837,035
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	2.33	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.5	78,488,879	95,801,321
Other current liabilities	2.6	110,578,736	121,853,813
Short-term provisions	2.7	18,129,659	5,996,975
TOTAL		<u>635,131,457</u>	<u>678,118,753</u>
ASSETS			
Non-current assets			
Fixed assets			
Property, plant and equipment	2.8	10,528,556	17,120,521
Intangible assets	2.8	7,285,329	4,914,335
Intangible assets under development		1,929,348	124,656
Non-current investments	2.9	-	94,620,896
Deferred tax assets	2.10	31,334,886	22,161,812
Long-term loans and advances	2.11	408,309,615	343,573,343
		<u>459,387,734</u>	<u>482,515,563</u>
Current assets			
Trade receivables	2.12	138,722,165	155,588,362
Cash and cash equivalents	2.13	7,174,636	1,438,917
Short-term loans and advances	2.14	29,846,922	35,441,234
Other current assets	2.15	-	3,134,677
		<u>175,743,723</u>	<u>195,603,190</u>
TOTAL		<u>635,131,457</u>	<u>678,118,753</u>

Significant accounting policies and notes to the financial statements

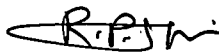
1 & 2

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

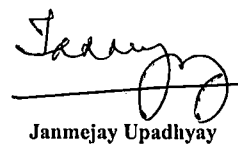
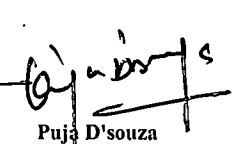
Firm Registration No.: 119850W



R. P. Soni
Partner
Membership No.: 104796

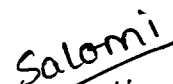


For and on behalf of the Board of Directors

Janmejaya Upadhyay
Director
DIN 07448873

Puja D'souza
Director
DIN 05136515



Salomi Nagarseth
Company Secretary

Mumbai
26 April 2018

Mumbai
26 April 2018

Edelweiss Global Wealth Management Limited

Statement of Profit and Loss

(Currency: Indian rupees)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Fee and commission income	2.16	752,878,552	164,593,542
Income from treasury operations and investments	2.17	(9,268,000)	(64,680,774)
Other operating revenue	2.18	49,198	2,333,039
Other income	2.19	6,241,988	516,641
Total revenue		749,901,738	102,762,448
Expenses			
Employee benefit expenses	2.20	224,001,776	390,252,981
Finance costs	2.21	36,381,817	69,786,011
Depreciation and amortization expenses	2.8	10,365,640	9,858,269
Other expenses	2.22	218,698,166	157,187,775
Total expenses		489,447,399	627,085,036
Profit/ (Loss) before tax		260,454,339	(524,322,588)
Tax expense:			
Current tax [including excess provisions for earlier year Rs. 609,673, (Previous year: excess provisions for earlier year Rs. 1,855,690)]		60,059,697	(1,855,690)
Minimum alternate tax credit entitlement		(61,181,028)	-
Deferred tax benefit		(9,173,074)	(7,061,779)
Profit/ (Loss) for the year		270,748,744	(515,405,119)
Earnings per equity share:			
Basic and diluted (face value of Rs. 10 each)	2.25	232.53	(515.41)
Significant accounting policies and notes to the financial statements	1 & 2		

As per our report of even date attached.

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

R. P. Soni
Partner
Membership No.: 104796



For and on behalf of the Board of Directors

Janmejaya Upadhyay
Director
DIN 07448873

Puja D'souza
Director
DIN 05136515

Salomi
Salomi Nagarseth
Company Secretary

Mumbai
26 April 2018

Mumbai
26 April 2018

Edelweiss Global Wealth Management Limited

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 Mar 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit/ (loss) before tax	260,454,339	(524,322,588)
Adjustments for:		
Profit on sale of fixed assets	(444,889)	(85,781)
Depreciation and amortization expenses	10,365,640	9,858,269
Provision for compensated leave absences and gratuity	(7,844,034)	4,089,872
Provision for doubtful debts	32,582,368	16,598,211
Profit/ (loss) on sale of long term investment	9,840,000	(4,329,053)
Dividend on long term Investment	(572,000)	-
Interest income	-	(1,431,907)
Interest expense	35,045,319	67,978,132
Operating cash flow before working capital changes	339,426,743	(431,644,845)
Adjustments for working capital changes		
Increase in trade receivables	(15,716,171)	(113,043,357)
Decrease in stock-in-trade	-	35,098,397
Decrease in loans and advances	1,246,711	5,334,455
Decrease in other current assets	3,134,677	140,435,439
(Decrease)/ increase in trade payables	(17,312,441)	38,204,777
(Decrease)/ increase in current liabilities and provisions	(5,567,416)	27,644,126
Cash generated from/ (used in) operations	305,212,103	(297,971,008)
Income tax paid	(42,903,006)	(20,193,440)
Net cash generated from / (used in) operating activities - A	262,309,097	(318,164,448)
B Cash flow from investing activities		
Purchase of fixed assets	(10,423,739)	(15,139,854)
Sale of fixed assets	2,919,268	408,069
Proceeds from sale of investments (net) (refer note 1 below)	84,780,896	20,418,345
Dividend on long term Investment	572,000	-
Interest received	-	1,602,107
Proceeds from unsecured loans given (net) (refer note 1 below)	-	32,204,229
(Increase)/ decrease in long term capital advance	(2,678,650)	7,219,482
Net cash generated from investing activities - B	75,169,775	46,712,378
C Cash flow from financing activities		
(Redemption)/ issue of preference shares (including securities premium)	(400,000,000)	400,000,000
Proceeds from issue of equity shares	150,000,000	-
Repayment of unsecured borrowings (net) (refer note 1 below)	(40,990,172)	(64,713,365)
Interest paid	(40,752,981)	(64,945,980)
Net cash (used in) / generated from financing activities - C	(331,743,153)	270,340,655
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	5,735,719	(1,111,415)
Cash and cash equivalents as at the beginning of the year	1,438,917	2,550,332
Cash and cash equivalents as at the end of the year (refer note 2.13)	7,174,636	1,438,917

Notes:

1 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For NGS & Co. LLP

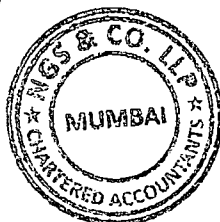
Chartered Accountants

Firm's Registration No.: 119850W

R. P. Soni

Partner

Membership No.: 104796



Mumbai

26 April 2018

For and on behalf of the Board of Directors

Janmejaya Upadhyay

Director

DIN 07448873

Puja D'souza

Director

DIN 05136515

Salomi Nagarseth

Company Secretary

Mumbai

26 April 2018

Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2018

(Currency: Indian rupees)

1. Significant accounting policies

1.1 Company background and basis of preparation of financial statements

Edelweiss Global Wealth Management Limited ("the Company") was incorporated on 9 October 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.

The financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Companies Act, 2013, (hereinafter referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian Rupees.

1.2 Use of estimates

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

1.3 Current – non-current classification

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

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.



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2018

(Currency: Indian rupees)

1.4 Revenue recognition

- a) Interest income is recognised on accrual basis.
- b) Fee income is accounted for on an accrual basis in accordance with the terms and conditions of contracts entered into between the Company and the counterparty.
- c) Commodities sales are accounted when all obligations connected with the transfer of risks and rewards to the buyer have been fulfilled after the price has been determined and collection of the receivable is reasonably certain.
- d) Dividend income is recognised when the right to receive payment is established.
- e) Income from treasury comprises of profit/loss on sale of securities and profit/loss on derivative instruments.
 - i) Profit/ loss on sale of securities is determined based on the weighted average cost of the securities sold.
 - ii) Realised profit/ loss on closed positions of derivative instruments is recognised on final settlement on squaring-up of the contracts. Outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- f) Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.

1.5 Derivatives

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2018

(Currency: Indian rupees)

1.6 Fixed assets and depreciation

Property, plant and equipments

Property, plant and equipments acquired by the Company are reported at acquisition cost, with deductions for accumulated depreciation and impairment losses, if any. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Capital work in progress comprises the cost of fixed assets that are not ready for its intended use at the reporting date

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

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

Nature of assets	Useful life
Furniture and fittings	10 years
Vehicles	8 years
Office equipments	5 years
Computers and data processing units - servers and networks	6 years
Computers and data processing units - end user devices, such as desktops, laptops, etc.	3 years

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

Intangible fixed assets and Intangibles under development

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

Goodwill is amortised over a period of 5 years.

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

1.7 Investments

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

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

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2018

(Currency: Indian rupees)

1.8 Cash and cash equivalents

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

1.9 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The resultant exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

1.10 Stock in trade

The securities held as stock-in-trade are valued at lower of weighted average cost or market value. Inventories in the form of commodities are valued at cost or net realisable value, whichever is lower.

1.11 Impairment of assets

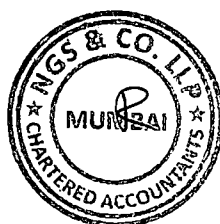
The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and the value in use of those assets. Value in use is arrived at by discounting the estimated future cash flows to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs 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.

1.12 Employee benefits

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

Provident fund

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2018

(Currency: Indian rupees)

1.12 Employee benefits (*Continued*)

Gratuity

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

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, 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 actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

Compensated leave absences

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

1.13 Borrowing Costs

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

1.14 Taxation

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

Current tax

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended 31 March 2018

(Currency: Indian rupees)

1.14 Taxation (*Continued*)

Deferred tax

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

Minimum alternative tax (MAT) Credit

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

1.15 Operating leases

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

1.16 Earnings per share

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

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

1.17 Provisions and contingencies

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

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

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

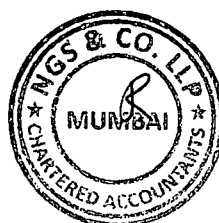
	As at 31 March 2018		As at 31 March 2017	
2.1 Share capital				
(i) Authorised :				
16,000,000 (Previous year: 2,000,000) equity shares of Rs. 10 each		160,000,000		20,000,000
4,000,000 (Previous year: 5,000,000) preference shares of Rs.10 each		40,000,000		50,000,000
		<u>200,000,000</u>		<u>70,000,000</u>
(ii) Issued, subscribed and paid up:				
16,000,000 (Previous year: 1,000,000) equity shares of Rs. 10 each, fully paid-up		160,000,000		10,000,000
Nil (Previous year: 4,000,000) 0.01% Non-cumulative Non-convertible Redeemable Preference Shares of Rs.10 each, fully paid-up		-		40,000,000
		<u>160,000,000</u>		<u>50,000,000</u>
(iii) Movement in share capital:				
	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares of Rs. 10 each fully paid up				
Outstanding at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Issued during the year	15,000,000	150,000,000	-	-
Outstanding at the end of the year	<u>16,000,000</u>	<u>160,000,000</u>	<u>1,000,000</u>	<u>10,000,000</u>
0.01% Non-cumulative Non-convertible Redeemable Preference Shares of Rs.10 each, fully paid-up				
Outstanding at the beginning of the year	4,000,000	40,000,000	-	-
Issued during the year	-	-	4,000,000	40,000,000
Redeemed during the year	(4,000,000)	(40,000,000)	-	-
Outstanding at the end of the year	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>40,000,000</u>
(iv) Shares held by holding / ultimate holding company and / or their subsidiaries / associates:				
	As at 31 March 2018		As at 31 March 2017	
Equity Shares	No. of Shares	%	No. of Shares	%
Edelweiss Financial Services Limited, the holding company and its nominees	16,000,000	100%	1,000,000	100%
	<u>16,000,000</u>	<u>100%</u>	<u>1,000,000</u>	<u>100%</u>
0.01% Non-cumulative Non-convertible Redeemable Preference Shares				
EC Commodity Limited, fellow subsidiary	-	-	1,500,000	37.50%
Edelweiss Securities Limited, fellow subsidiary	-	-	2,500,000	62.50%
	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>100%</u>
(v) Details of shareholders holding more than 5% shares in the Company:				
	As at 31 March 2018		As at 31 March 2017	
Equity Shares	No. of Shares	%	No. of Shares	%
Edelweiss Financial Services Limited, the holding company and its nominees	16,000,000	100%	1,000,000	100%
	<u>16,000,000</u>	<u>100%</u>	<u>1,000,000</u>	<u>100%</u>
0.01% Non-cumulative Non-convertible Redeemable Preference Shares				
	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	%	No. of Shares	%
EC Commodity Limited, fellow subsidiary	-	-	1,500,000	37.50%
Edelweiss Securities Limited, fellow subsidiary	-	-	2,500,000	62.50%
	<u>-</u>	<u>-</u>	<u>4,000,000</u>	<u>100%</u>

Terms/rights attached to equity shares:

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

Terms/rights attached to 0.01% non-cumulative non-convertible redeemable preference shares:

The preference shares of the face value of Rs. 10 each were issued at the rate of Rs. 100 per share. The preference shares were allotted on 31 March 2017. The preference shares are redeemed on 28 March 2018 at Rs. 100 per share.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.2 Reserves and surplus		
Securities premium account		
Opening balance	395,625,000	35,625,000
Less : (Utilized)/ additions during the year	(360,000,000)	360,000,000
Closing balance	35,625,000	395,625,000
(Deficit)/surplus in the statement of profit and loss		
Opening balance	(441,439,263)	73,965,856
Add: profit/ (loss) for the year	270,748,744	(515,405,119)
Closing balance	(170,690,519)	(441,439,263)
	(135,065,519)	(45,814,263)
2.3 Long-term provisions		
Provision for employee benefits		
Gratuity (refer note 2.26)	3,995,000	9,362,872
Compensated leave absences	1,157,838	2,081,000
	5,152,838	11,443,872
2.4 Short-term borrowings		
Unsecured		
Loan from others	-	100,000,000
Loan from related parties	397,846,864	338,837,035
(Repayable on demand, at variable rate of interest ranging from 10% p.a. (previous year : ranging from 10% to 11.50% p.a.))		
	397,846,864	438,837,035



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.5 Trade payables		
Trade payables (includes sundry creditors and provision for expenses)	78,488,879	95,801,321
	<u>78,488,879</u>	<u>95,801,321</u>
2.6 Other current liabilities		
Interest accrued and due on borrowings	806,461	6,514,123
Income received in advance	986,885	638,727
Other payables *		
Accrued salaries and benefits	66,545,808	98,621,675
Withholding taxes, service tax and other statutory dues payable	23,616,509	9,204,615
Book overdraft	-	2,457,643
Others	18,623,073	4,417,030
* There are Rs. Nil (Previous year: Rs. Nil) amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act 2013 as at the year end.		
	<u>110,578,736</u>	<u>121,853,813</u>
2.7 Short-term provisions		
Provision for employee benefits		
Gratuity (refer note 2.26)	325,000	1,618,000
Compensated leave absences	244,000	504,000
Others		
Provision for taxation (net of advance tax and tax deducted at source)	17,560,659	3,874,975
	<u>18,129,659</u>	<u>5,996,975</u>



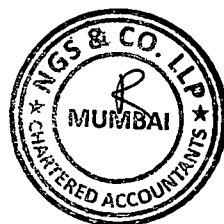
Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.8 Fixed assets

Description of assets	Gross block				Depreciation				Net block	
	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 March 2018	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017
Property, plant and equipment										
Leasehold improvements	4,018,865	-	-	4,018,865	1,364,513	703,305	-	2,067,818	1,951,047	2,654,352
Furniture and fixtures	1,373,362	22	-	1,373,384	451,405	238,686	-	690,091	683,293	921,957
Vehicles	19,028,225	-	4,126,510	14,901,715	8,728,733	2,777,980	1,763,127	9,743,586	5,158,129	10,299,492
Office equipment	5,811,773	254,876	4,148,042	1,918,607	5,116,723	376,279	4,060,376	1,432,626	485,981	695,050
Computers	15,263,930	2,205,247	6,601,373	10,867,804	12,714,260	2,481,481	6,578,043	8,617,698	2,250,106	2,549,670
Total : A	45,496,155	2,460,145	14,875,925	33,080,375	28,375,634	6,577,731	12,401,546	22,551,819	10,528,556	17,120,521
Intangible assets										
Computer software	9,881,391	6,158,903	-	16,040,294	4,967,056	3,787,909	-	8,754,965	7,285,329	4,914,335
Goodwill	1,496,000	-	-	1,496,000	1,496,000	-	-	1,496,000	-	-
Total : B	11,377,391	6,158,903	-	17,536,294	6,463,056	3,787,909	-	10,250,965	7,285,329	4,914,335
Grand total [A+B]	56,873,546	8,619,048	14,875,925	50,616,669	34,838,690	10,365,640	12,401,546	32,802,784	17,813,885	22,034,856
Previous year	45,542,357	15,684,948	4,353,759	56,873,546	29,011,892	9,858,269	4,031,471	34,838,690	22,034,856	



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018			As at 31 March 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.9 Non-current investments - at cost						
Trade (quoted)						
Investments in equity instruments						
J Kumar Infraprojects Limited	-	-	-	5	170,000	62,987,712
Claris Lifesciences Limited	-	-	-	10	116,000	31,633,184
Unquoted						
Investments in warrants						
AT Invoftin Private Limited (partly paid-up)	10	539,896	33,743,500	10	539,896	33,743,500
Less : Diminution in value of investments			(33,743,500)			(33,743,500)
			<u>-</u>			<u>94,620,896</u>
Aggregate value of quoted investments						
At carrying value			-			94,620,896
At market value			-			81,123,000
Aggregate value of unquoted investments						
At carrying value			33,743,500			33,743,500



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.10 Deferred tax assets		
Deferred tax asset		
Difference between book and tax depreciation	3,200,468	2,302,356
Provision for doubtful debts and diminution in value of investment	25,873,093	15,556,361
Disallowances under section 43B of the Income Tax Act, 1961	1,785,213	4,191,855
Others	476,112	111,240
	31,334,886	22,161,812
2.11 Long-term loans and advances		
Unsecured, considered good		
Capital advances	295,093,036	292,414,386
Security deposits		
Rental deposits	5,828,886	4,573,136
Other deposits	21,530	21,530
Prepaid expenses	523,565	-
Advance income tax and tax deducted at source (net of provision for taxation)	36,997,350	35,908,351
MAT credit entitlement	69,845,248	10,655,940
	408,309,615	343,573,343



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
2.12 Trade receivables		
Debtors outstanding for a period exceeding six months		
Unsecured, considered doubtful	49,183,079	16,600,711
Less : Provision for doubtful debts	49,183,079	16,600,711
	-	-
Other debts		
Unsecured, considered good	138,722,165	155,588,362
Less : Provision for doubtful debts	-	-
	138,722,165	155,588,362
	<u>138,722,165</u>	<u>155,588,362</u>
2.13 Cash and cash equivalents		
Cash in hand	2,823	778
Balances with banks in current accounts	7,171,813	1,438,139
	<u>7,174,636</u>	<u>1,438,917</u>
2.14 Short-term loans and advances		
Other loans and advances		
Deposits- others	148,250	100,000
Prepaid expenses	4,210,976	4,256,194
Loans and advances to employees	31,320	269,239
Vendor advances	879,125	3,670,265
Advance income tax (net of provision for taxation)	8,738,164	11,306,449
MAT credit entitlement	15,839,087	15,839,087
	<u>29,846,922</u>	<u>35,441,234</u>
2.15 Other current assets		
Cenvat and VAT assets	-	641,690
Margin placed with broker	-	2,492,987
	<u>-</u>	<u>3,134,677</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.16 Fee and commission income		
Advisory and other fees	752,878,552	164,593,542
	752,878,552	164,593,542
2.17 Income from treasury operations and investments		
Loss on trading of securities (net)	-	(26,928,362)
Loss on trading in equity derivative instruments (net)	-	(15,862,456)
Loss on trading in currency derivative instruments (net)	-	(27,504,552)
Gain on foreign exchange movement on trade	-	28,818
(Loss)/ Profit on sale of long term investment	(9,840,000)	4,329,053
Dividend on stock in trade	-	1,256,725
Dividend on long term Investment	572,000	-
	(9,268,000)	(64,680,774)
2.18 Other operating revenue		
Interest income on loan	-	1,431,907
Interest income on margin with brokers	49,198	901,132
	49,198	2,333,039
2.19 Other income		
Profit on sale of fixed assets (net)	444,889	85,781
Miscellaneous income	5,343,319	96,174
Interest income - others	453,780	334,686
	6,241,988	516,641



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.20 Employee benefit expenses		
Salaries and wages	211,030,621	374,521,997
Contribution to provident and other funds (<i>refer note 2.26</i>)	6,799,545	9,851,731
Staff welfare expenses (<i>refer note 2.30</i>)	6,171,610	5,879,253
	224,001,776	390,252,981
2.21 Finance costs		
Interest on loan from holding company	-	1,216,028
Interest on loan from fellow subsidiaries	35,045,319	66,762,103
Interest - others	1,190,472	1,787,952
Financial and bank charges	146,026	19,928
	36,381,817	69,786,011



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.22 Other expenses		
Advertisement and business promotion	22,940,250	7,700,566
Auditors' remuneration (<i>refer note below</i>)	613,000	522,500
Commission and brokerage	42,348,698	54,966,381
Communication	1,816,470	4,167,395
Computer expenses	946,939	244,444
Computer software	5,931,901	4,152,986
Clearing and custodian charges	-	189,500
Contribution towards corporate social responsibilities (<i>refer note 2.32</i>)	4,250,000	50,000
Donation	484,000	850,000
Electricity charges (<i>refer note 2.30</i>)	2,449,326	2,915,549
Foreign exchange loss (net)	23,211	-
Insurance	112,100	(8,866)
Legal and professional fees	60,377,873	11,614,696
Membership and subscription	718,129	162,407
Office expenses	-	1,625,806
Postage and courier	39,101	46,324
Printing and stationery	1,080,696	1,569,422
Provision for doubtful debts	32,582,368	16,598,211
Rates and taxes	228,757	153,112
Rent (<i>refer note 2.30</i>)	21,212,915	22,613,320
Repairs and maintenance - others (<i>refer note 2.30</i>)	(641,295)	1,013,785
ROC expenses	975,600	388,600
Security transaction tax	84,785	4,871,284
Seminar and conference	2,127,030	886,859
Service tax expenses	(3,577,190)	5,999,062
Stamp duty	703,887	125,175
Stock exchange expenses	-	909,705
Transportation charges	36,691	178,621
Travelling and conveyance	16,294,811	11,107,150
Warehousing charges	3,904	(25,864)
Miscellaneous expenses	150,930	231,707
Housekeeping and security charges (<i>refer note 2.30</i>)	4,383,279	1,367,938
	218,698,166	157,187,775
Auditors' remuneration:		
As auditor	613,000	502,000
For reimbursement of expenses	-	20,500
	613,000	522,500



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.23 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014:

i. List of related parties and relationship:

(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

Edelweiss Securities Limited
Edelweiss Commodities Services Limited
ECL Finance Limited
Edelweiss Investment Adviser Limited
Edelweiss Asset Reconstruction Company Limited
Edelweiss Insurance Brokers Limited
Edelweiss Custodial Services Limited
Edel Commodities Trading Limited
Edelweiss Broking Limited
ECap Equities Limited *
EC Commodity Limited
Edelweiss Business Services Limited
Edelweiss Alternative Asset Advisors Limited
Edelweiss Multi Strategy Fund Advisors LLP
Edelweiss Retail Finance Limited
Edelweiss Asset Management Limited
EFSL Trading Limited
Edelweiss Housing Finance Limited
Edelweiss Finvest Private Limited
EFSL Comtrade Limited
Edelweiss Agri Value Chain Limited
Edelweiss Multi Strategy Funds Management Private Limited
Edelgive Foundation
Eternity Business Centre Limited (upto 31 March 2017)

*Pursuant to the Scheme of Amalgamation ("the Scheme") under Sections 230 to 232 of the Companies Act, 2013 (the Act) and the Rules made there under (the Rules), as sanctioned by the National Company Law Tribunal, Mumbai Bench vide its orders dated 23 August 2017 and the National Company Law Tribunal, Hyderabad Bench vide its order dated 11 April 2018, Olive Business Centre Limited ("the First Transferor Company"), Burlington Business Solutions Limited ("the Second Transferor Company"), Auris Corporate Centre Limited ("the Third Transferor Company"), Serenity Business Park Limited ("the Fourth Transferor Company") and Eternity Business Centre Limited ("the Fifth Transferor Company") (collectively referred to as the Transferor Companies), the wholly owned subsidiaries of ECap Equities Limited, (the Transferee Company) had been amalgamated with the Transferee Company with effect from 1 April 2017 ("the Appointed Date"). The Scheme has been effective from 21 April 2018 ("the Effective Date").

Accordingly, all the related party transactions entered during the year and the outstanding balances thereof as stated at the end of the year relating to the Transferor Companies are considered to be entered with the Transferee Company and accordingly included in the related party transactions disclosure of the Company.

ii. Transactions with related parties:

Nature of Transaction	Related party name	2017-18	2016-17
Capital account transactions			
Issue of preference shares to	EC Commodity Limited	-	150,000,000
	Edelweiss Securities Limited	-	250,000,000
Issue of equity shares to	Edelweiss Financial Services Limited	150,000,000	-
Redemption of preference shares from	EC Commodity Limited	150,000,000	-
	Edelweiss Securities Limited	250,000,000	-
Current account transactions			
Short term loans taken from (Refer note below)	Edelweiss Commodities Services Limited	139,046,051	783,177,259
	Edelweiss Financial Services Limited	-	7,350,823
Short term loans repaid to (Refer note below)	Edelweiss Commodities Services Limited	80,036,222	444,340,224
	Edelweiss Financial Services Limited	-	510,901,223
Short term loans repaid by (Refer note below)	Edelweiss Commodities Services Limited	-	32,200,000



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.23 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (Continued) :

ii. Transactions with related parties (Continued) :

Nature of Transaction	Related party name	2017-18	2016-17
Margin placed with (Refer note below)	Edelweiss Custodial Services Limited	-	37,382,734
	Edelweiss Securities Limited	24,998,357	75,949,142
Margin withdrawn from (Refer note below)	Edelweiss Custodial Services Limited	2,380,136	35,002,598
	Edelweiss Securities Limited	25,111,208	220,090,484
Nomination deposit given to	Edelweiss Financial Services Limited	400,000	-
Nomination deposit received from	Edelweiss Financial Services Limited	400,000	-
Referral fees earned from	Edelweiss Multi Strategy Funds Management Private Limited	69,743,303	60,885,999
	Edelweiss Multi Strategy Fund Advisors LLP	27,513,767	44,592,183
Commission income received from	ECL Finance Limited	307,191,957	-
	Edelweiss Finvest Private Limited	9,909,872	-
Interest income on margin placed with	Edelweiss Custodial Services Limited	49,132	63,645
	Edelweiss Securities Limited	66	837,487
Interest income on loans given to	Edelweiss Commodities Services Limited	-	1,431,907
Interest expenses on loans from	Edelweiss Commodities Services Limited	24,111,182	66,762,103
	Edelweiss Financial Services Limited	-	1,216,028
Clearing charges paid to	Edelweiss Securities Limited	-	189,500
Brokerage	Edelweiss Securities Limited	3,650	2,256,302
Rent Paid to	Edelweiss Commodities Services Limited	12,874,776	12,910,239
	Eternity Business Centre Limited	-	3,495,566
	ECap Equities Limited	1,770,286	-
	Others	218,461	82,662
Business support service charges paid to	Edelweiss Business Services Limited	41,241,429	168,053
Contribution towards Corporate Social Responsibility (CSR)	EdelGive Foundation	-	50,000
Reimbursements paid to	Edelweiss Financial Services Limited	-	25,411,860
	Edelweiss Commodities Services Limited	45,517,763	32,255,325
	Edelweiss Business Services Limited	7,604,577	18,812,160
Cost reimbursements paid to	Edelweiss Commodities Services Limited	1,538,966	14,971,264
	Edelweiss Financial Services Limited	1,299,385	3,236,126
	ECap Equities Limited	145,945	-
	Others	940,832	240,994
Reimbursements recovered from	Edelweiss Financial Services Limited	46,370,241	5,789,314
	Others	816,374	-
Cost reimbursements recovered from	Edelweiss Retail Finance Limited	677,620	-
	Edelweiss Housing Finance Limited	255,707	-
	Others	317,818	-
Purchase of fixed assets from	Edelweiss Retail Finance Limited	33,301	-
Sale of fixed assets to	Edelweiss Agri Value Chain Limited	-	85,758
	Edelweiss Asset Reconstruction Company Limited	-	45,405
	Edelweiss Business Services Limited	1,144,157	-



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.23 Disclosure as required by Accounting Standard 18 - "Related Party Disclosure" as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (Continued) :

ii. Transactions with related parties (Continued) :

Nature of Transaction	Related party name	2017-18	2016-17
Balances with related parties - (Liabilities)			
Short term loans taken from	Edelweiss Commodities Services Limited	397,846,864	338,837,035
Trade payables to	Edelweiss Business Services Limited	21,825,470	190,739
	Edelweiss Commodities Services Limited	2,008,857	861,666
	Edelweiss Multi Strategy Funds Management Private Limited	14,564,209	-
	Others	147,960	32,997
Other payable to	Edelweiss Broking Limited	6,877,000	-
	Edelweiss Business Services Limited	1,169,000	-
	Others	373,000	-
Accrued interest on loans taken from	Edelweiss Commodities Services Limited	806,461	5,067,959
Balances with related parties - (Assets)			
Trade receivables from	ECL Finance Limited	104,220,845	-
	Edelweiss Multi Strategy Fund Advisors LLP	13,744,570	49,051,401
	Edelweiss Multi Strategy Funds Management Private Limited	-	65,725,065
	Others	4,251,268	72,447
Margin receivable from	Edelweiss Custodial Services Limited	-	2,380,136
	Edelweiss Securities Limited	-	112,851

Note -

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

2.24 Segment reporting

Primary segment (Business segment)

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

Segment	Activities covered
Agency business	Broking and advisory services
Capital based business	Income from treasury operations, 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.

Secondary segment

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

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

	Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
I	Segment revenue		
	a) Agency business	758,666,760	164,746,384
	b) Capital based business	(9,218,802)	(62,318,623)
	c) Unallocated	453,780	334,687
	Total Income	749,901,738	102,762,448
II	Segment results		
	a) Agency business	269,219,361	(300,325,086)
	b) Capital based business	(9,218,802)	(222,133,660)
	c) Unallocated	453,780	(1,863,842)
	Total	260,454,339	(524,322,588)
	Profit/ (loss) before taxation	260,454,339	(524,322,588)
	Less : Provision for taxation	(10,294,405)	(8,917,469)
	Profit/(loss) after taxation	270,748,744	(515,405,119)
	Particulars	As at	As at
		31 March 2018	31 March 2017
III	Segment assets		
	a) Agency business	472,376,723	476,241,409
	b) Capital based business	-	102,412,987
	c) Unallocated	162,754,734	99,464,357
	Total	635,131,457	678,118,753
IV	Segment liabilities		
	a) Agency business	592,636,317	231,295,050
	b) Capital based business	-	431,768,634
	c) Unallocated	17,560,659	10,869,332
	Total	610,196,976	673,933,016
V	Capital expenditure		
	a) Agency business	10,423,740	13,332,206
	b) Capital based business	-	2,352,742
	c) Unallocated	-	-
	Total	10,423,740	15,684,948
VI	Depreciation and amortisation		
	a) Agency business	10,365,640	8,328,817
	b) Capital based business	-	1,529,452
	c) Unallocated	-	-
	Total	10,365,640	9,858,269
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Agency business	33,157,334	20,033,703
	b) Capital based business	-	654,380
	c) Unallocated	-	(85,781)
	Total	33,157,334	20,602,302



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.25 Earnings per share

In accordance with Accounting Standard 20 on Earnings per share notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, the computation of earnings per share is set out below.

S. No	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
A	Net amount attributable to the equity shareholders (as per statement of profit and loss)	270,748,744	(515,405,119)
B	Calculation of weighted average number of equity shares of Rs. 10 each		
	- Number of shares at the beginning of the year	1,000,000	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	10,00,000
	Weighted average number of equity shares outstanding during the period	1,164,384	10,00,000
C	Basic and diluted earnings per share (in rupees) (A/B)	232.53	(515.41)

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

2.26 Disclosure pursuant to Accounting Standard 15 (Revised)-Employee benefits

A) Defined contribution plan (Provident fund):

An amount of Rs. 6,723,199 (Previous year: Rs. 9,820,036) is recognised as expenses and included in "Employee benefit expenses" – as per note 2.20 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.

Statement of profit and loss

Net employee benefit expenses (recognised in employee cost)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	1,171,000	2,542,872
Interest cost	169,000	565,000
Past service cost	565,000	-
Actuarial (gain)/ loss	(1,46,000)	316,000
Expense recognised in statement of profit and loss	1,759,000	3,423,872



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.26 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee benefits (continued)

Balance sheet

Changes in the present value of the defined benefit obligation are as follows.

Particulars	As at 31 March 2018	As at 31 March 2017
Liability at the beginning of the year	10,980,000	7,632,000
Transfer in/(out)	(8,419,000)	6,000
Interest cost	169,000	565,000
Current service cost	1,171,000	2,542,872
Past service cost	565,000	-
Benefits paid	-	(81,000)
Actuarial (gain)/loss	(146,000)	316,000
Liability at the end of the year	4,320,000	10,980,872

Amount recognised in the balance sheet:

Particulars	2018	2017	2016	2015	2014
Liability at the end of the year	4,320,000	10,980,872	7,632,000	4,607,000	2,799,000
Amount recognized in balance sheet - liability	4,320,000	10,980,872	7,632,000	4,607,000	2,799,000

Experience adjustment:

Particulars	2018	2017	2016	2015	2014
Plan liabilities: (gain)/loss	(36,000)	(134,000)	586,000	2,000	334,000

Principle actuarial assumptions at the balance sheet date:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Discount rate	7%	6.60%
Salary escalation	7%	7%
Employee attrition rate	13% -60%	13% -60%



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.27 Earnings and expenditure in foreign currency:

The Company has incurred expenditure in foreign currency Rs. 14,826,378 during the year ended 31 March 2018 (Previous year: Rs. 7,013,378)

2.28 Contingent liabilities and commitments

i. Contingent liabilities

The Company has pending taxation matters of Rs. 994,547 as at the balance sheet date (Previous year: Rs. 357,160).

ii. Commitments

The Company has capital commitments as at the balance sheet date towards fixed assets Rs. 5,762,273 (Previous year: Rs. 4,190,000)

2.29 Operating leases

The Company has taken premises on operating lease. Gross rental expenses for the year ended 31 March 2018 aggregated to Rs. 22,248,049 (Previous year: Rs. 22,613,320) which has been included under the head other expenses – Rent in note 2.22 of the statement of profit and loss.

There are no future minimum lease payments due on account of non-cancellable operating lease.

2.30 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees. 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 2.20 and 2.22 include reimbursements paid and are net of reimbursements received based on the management's best estimate.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.31 Details of purchase, sale and change in inventory:

a) Securities:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock		
Equity shares	-	35,098,397
Subtotal	-	35,098,397
Purchase		
Equity shares	-	6,332,199,889
Subtotal	-	6,332,199,889
Sales		
Equity shares	-	6,340,369,924
Subtotal	-	6,340,369,924
Closing stock		
Equity shares	-	-
Subtotal	-	-
Loss on trading of securities	-	26,928,362

2.32 Corporate social responsibility (CSR):

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

a) Gross amount required to be spent by the Company during the year was Rs. Nil (Previous year Rs. 740,745/-)

b) Amount spent during the year on:

Sr. No.	Particulars	In cash	Yet to be paid in cash	Total
(i)	Constructions / acquisition of any assets	-	-	-
(ii)	On purpose other than (i) above	4,250,000	-	4,250,000
		(50,000)	-	(50,000)

Figures in the bracket are in respect of previous year.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

2.33 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.

2.34 Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 31 December 2016 pursuant to Notification No. G.S.R. 308(E) dated 30 March, 2017: As at 31 March 2018

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	Not applicable	Not applicable	Not applicable
(+) Permitted receipts			
(-) Permitted payments			
(-) Amount deposited in Banks			
Closing cash in hand as on 30.12.2016			
<i>Note:</i> <i>For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8 November, 2016.</i>			



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

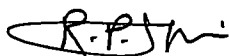
- 2.34** Disclosures relating to Specified Bank Notes* (SBNs) held and transacted during the period from 8 November 2016 to 31 December 2016 pursuant to Notification No. G.S.R. 308(E) dated 30 March, 2017: As at 31 March 2017 *(Continued)*

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	8,000	778	8,778
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	8,000	-	8,000
Closing cash in hand as on 30.12.2016	-	778	778
<i>Note:</i> <i>For the purpose of this clause, the term Specified Bank Notes (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs no. S.O. 3407(E), dated the 8 November, 2016.</i>			

2.35 Previous year comparatives

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

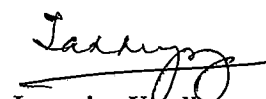
For NGS & Co. LLP
Chartered Accountants
Firm Registration No.: 119850W



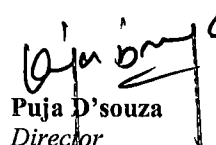
R. P. Soni
Partner
Membership No.: 104796



For and on behalf of the Board of Directors



Janmejay Upadhyay
Director
DIN



Puja D'souza
Director
DIN 05136515


Salomi Nagarseth
Company Secretary

Mumbai
26 April 2018

Mumbai
26 April 2018