

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF Edelweiss Trustee Services Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Edelweiss Trustee Services Limited

Report on the Financial Statements

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Opinion

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

Other Matter

9. The financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 15, 2017, expressed an unmodified opinion on those financial statements.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

10. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i) The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Edelweiss Trustee Services Limited

Report on the Financial Statements

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- ii) The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
- iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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



Arvind Daga
Partner
Membership Number 108290

Mumbai
April 30, 2018

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

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

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accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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



Arvind Daga
Partner
Membership Number 108290

Mumbai
April 30, 2018

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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

- i. The Company does not hold any fixed assets. Therefore, the provisions of Clause 3(i) of the said Order are not applicable to the Company.
- ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including income tax, service tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, and goods and service tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations given to us and the records of the Company examined by us, the Company has not paid/ provided for managerial remuneration as per the provisions of Section 197 read with Schedule V of the Act during the year. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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

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- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



Arvind Daga
Partner
Membership Number 108290

Mumbai
April 30, 2018

Edelweiss Trustee Services Limited

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

Edelweiss Trustee Services Limited

Financial Statements together with Auditors' Report

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Edelweiss Trustee Services Limited

Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	500,000	500,000
Reserves and surplus	4	14,245,019	12,779,010
		14,745,019	13,279,010
Non-current liabilities			
Deferred tax liabilities	5	236,814	-
Current liabilities			
Trade payables	6	-	-
Total outstanding due of micro enterprises and small enterprises; and		-	-
Total outstanding due of creditors other than micro enterprises and small enterprises		528,013	309,596
Other current liabilities	7	5,486,432	175,001
Short-term provisions	8	-	44,604
TOTAL		20,996,278	13,808,211
ASSETS			
Non-current assets			
Fixed assets			
Intangible assets	9	4,570,822	-
Long-term loans and advances	10	47,317	-
		4,618,139	-
Current assets			
Trade receivables	11	-	642,858
Cash and bank balances	12	15,404,490	2,063,016
Short-term loans and advances	13	939,807	11,005,642
Other current assets	14	33,842	96,695
		16,378,139	13,808,211
TOTAL		20,996,278	13,808,211

The accompanying notes are an integral part of these financial statements

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

For Price Waterhouse Chartered Accountants LLP
Chartered Accountants
Firm Registration No. 012754N/N5000016



Arvind Daga
Partner
Membership No: 108290

Mumbai
30 April 2018

For and on behalf of the Board of Directors



Biren Shah
Director
DIN - 01258542

Mumbai
30 April 2018



Arakoni V. Ramaswamy
Director
DIN - 00547188

Edelweiss Trustee Services 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	15	1,880,537	1,512,508
Other income	16	1,358,366	1,252,956
Total Revenue		3,238,903	2,765,464
Expenses			
Employee benefits expenses	17	-	100,000
Finance costs	18	1,787	6,741
Amortization expenses	9	4,178	-
Other expenses	19	1,255,444	425,832
Total expenses		1,261,409	532,573
Profit before tax		1,977,494	2,232,891
Tax expense:			
Current tax		376,814	655,140
Short/(excess) provision for earlier years		-	6,695
MAT credit entitlement		(102,143)	-
Deferred tax charge		236,814	-
Profit for the year		1,466,009	1,571,056
Earnings per equity share:	22		
Basic and diluted (face value of Rs. 10 each)		29.32	31.42

The accompanying notes are an integral part of these financial statements

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

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration No. 012754N/N5000016



Arvind Daga

Partner

Membership No: 108290

Mumbai

30 April 2018

For and on behalf of the Board of Directors



Biren Shah

Director

DIN - 01258542

Mumbai

30 April 2018



Arakoni V. Ramaswamy

Director

DIN - 00547188

Edelweiss Trustee Services Limited

Cash Flow Statement

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A Cash flow from operating activities		
Profit before taxation	1,977,494	2,232,891
Adjustments for :		
Amortisation expenses	4,178	-
Interest income on loans	(1,320,763)	(1,206,082)
Interest income on fixed deposits	(37,603)	(31,874)
Operating cash flow before working capital changes	623,306	994,935
Change in working capital :		
(Increase)/Decrease in trade receivables	642,859	(277,108)
Decrease in short-term loans and advances	(932,953)	94,358
Increase in liabilities and provisions	5,529,848	94,160
Cash generated from operations	5,863,060	906,345
Taxes paid (net of refunds)	(367,805)	(648,787)
Net cash generated from operating activities - A	5,495,255	257,558
B Cash flow from investing activities		
Purchase of intangible assets	(4,575,000)	-
Interest received	1,421,219	1,164,577
(Deployment of)/repayment of loans given - (Refer Note 1)	11,000,000	(11,000,000)
Net cash (used in)/generated from investing activities - B	7,846,219	(9,835,423)
Net (decrease)/increase in cash and cash equivalents (A+B)	13,341,474	(9,577,865)
Cash and cash equivalents as at the beginning of the year	2,063,016	11,640,881
Cash and cash equivalents as at the end of the year (Refer note 12)	15,404,490	2,063,016

Note :

1. 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 Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm Registration No. 012754N/N5000016



Arvind Daga

Partner

Membership No: 108290

Mumbai

30 April 2018

For and on behalf of the Board of Directors



Biren Shah

Director

DIN -01258542

Mumbai

30 April 2018



Arakoni V. Ramaswamy

Director

DIN - 00547188

Edelweiss Trustee Services Limited

Notes to the financial statements

1. Background

Edelweiss Trustee Services Limited ("the Company") was incorporated on August 08, 2005 and was converted into a public limited company on January 29, 2009. The Company is a 100% subsidiary of Edelweiss Financial Services Limited and is engaged in the business of providing trustee services to various SEBI registered Alternative Investment Funds.

2. Significant accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III (Division I) to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and reported amount of revenue and expenses during the reporting period. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Revenue recognition

- Revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the services and are recognised net of service tax / goods and service tax.
- Revenue from rendering of trustee services is recognised in accordance with the terms and conditions of the fund documents of the Company and the Alternative Investment Funds for which the Company acts as a trustee. The amount recognised as revenue is exclusive of service tax/ goods and service tax.
- Interest income is recognised on accrual basis.



Edelweiss Trustee Services Limited

Notes to the financial statements (continued)

2.4 Fixed assets and depreciation/amortisation

Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Intangibles such as software is amortised over a period of 3 years or its estimated useful life, whichever is shorter.

2.5 Impairment of assets

The Company assesses at the 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 higher 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.

2.6 Current and deferred Tax

Income tax expense comprises current tax (i.e. amount of tax for the period 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 period).

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.

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 to the extent there is a virtual certainty of realisation of these assets. Deferred tax assets are reviewed as at balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.



Edelweiss Trustee Services Limited

Notes to the financial statements (continued)

Minimum Alternative Tax (MAT) credit

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

2.7 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 or loss after tax attributable to the equity shareholders 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 the weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

2.8 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 is made.

Provisions are reviewed as at the 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.

2.9 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



Edelweiss Trustee Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
3 Share capital		
Authorised :		
100,000 (Previous year: 100,000) equity shares of Rs. 10 each	1,000,000	1,000,000
Issued, Subscribed and Paid up:		
50,000 (Previous year: 50,000) equity shares of Rs. 10 each, fully paid-up	500,000	500,000
	500,000	500,000

a) 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.

b) Reconciliation of number of shares:

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
Outstanding at the beginning of the year	50,000	500,000	50,000	500,000
Shares issued during the year	-	-	-	-
Outstanding as at the end of the year	50,000	500,000	50,000	500,000

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

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	%	No. of Shares	%
Edelweiss Financial Services Limited, the holding company and its nominees	50,000	100%	50,000	100%
	50,000	100%	50,000	100%

d) Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	%	No. of Shares	%
Edelweiss Financial Services Limited, the holding company and its nominees	50,000	100%	50,000	100%
	50,000	100%	50,000	100%

4 Reserves and surplus

Surplus in statement of profit and loss

Opening balance	12,779,010	11,207,954
Add: Profit for the year	1,466,009	1,571,056
Total	14,245,019	12,779,010



Edelweiss Trustee Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
5 Deferred tax liabilities		
Difference between book and tax depreciation	236,814	-
Total	236,814	-
6 Trade payables		
Total outstanding due of micro enterprises and small enterprises; and (Refer Not 23)	-	-
Total outstanding due of creditors other than micro enterprises and small enterprises	528,013	309,596
Total	528,013	309,596
7 Other current liabilities		
Income received in advance	27,950	25,549
Liabilities toward purchase of Fixed Assets	4,941,000	-
Other payables		
Withholding tax, service tax and other taxes payable	516,682	68,850
Book overdraft	-	79,802
Others	800	800
Total	5,486,432	175,001
8 Short-term provisions		
Provision for taxation	-	44,604
[Net of advance tax Rs. Nil (Previous year Rs. 623,926)]		
Total	-	44,604



Edelweiss Trustee Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

9 Fixed assets

Description of Assets	Gross Block			Amortisation			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	Charge for the year	As at 31 March 2018	As at 31 March 2018
Intangible assets								
Computer software	-	4,575,000	-	4,575,000	-	4,178	4,178	4,570,822
Total	-	4,575,000	-	4,575,000	-	4,178	4,178	4,570,822

Description of Assets	Gross Block			Amortisation			Net Block	
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	As at 1 April 2016	Charge for the year	As at 31 March 2017	As at 31 Mar 2017
Intangible assets								
Computer software	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-



Edelweiss Trustee Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

	As at 31 March 2018	As at 31 March 2017
10 Long-term loans and advances		
Advance income taxes	47,317	-
[Net of advance tax Rs.3,76,814 (Previous year Rs. NIL)]		
Total	47,317	-
11 Trade receivables		
(Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	-	642,858
Total	-	642,858
12 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
in current accounts	3,204,490	2,063,016
in fixed deposits with less than 3 months maturity	12,200,000	-
Total	15,404,490	2,063,016
13 Short-term loans and advances		
(Unsecured, considered good)		
Loans and advances to related parties	-	11,000,000
Other loans and advances		
Prepaid expenses	843	1,322
Vendor advances	4,320	4,320
Input tax credits	831,289	-
Advance income tax	1,212	-
[net of provision for tax Rs. 668,530 (Previous year Rs. NIL)]		
MAT credit entitlement	102,143	-
Total	939,807	11,005,642
14 Other current assets		
(Unsecured, considered good)		
Accrued interest on fixed deposits	33,842	-
Accrued interest on loans given	-	96,695
Total	33,842	96,695



Edelweiss Trustee Services Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
15 Fee and commission income		
Trustee services fees (net of Service tax/goods and service tax)	1,880,537	1,512,508
Total	1,880,537	1,512,508
16 Other income		
Interest income on loan	1,320,763	1,206,082
Interest income on fixed deposits	37,603	31,874
Interest income - others	-	15,000
Total	1,358,366	1,252,956
17 Employee benefit expenses		
Salaries and wages	-	100,000
Total	-	100,000
18 Finance costs		
Interest - others	1,787	6,741
Total	1,787	6,741
19 Other expenses		
Auditors' remuneration (refer note below)	422,305	388,330
Legal and professional fees	812,894	33,730
Rates and taxes	4,445	2,972
ROC expenses	-	800
Service tax expenses	15,800	-
Total	1,255,444	425,832
Note:		
Auditors' remuneration:		
As auditor	403,200	360,000
For reimbursement of expenses	19,105	28,330
	422,305	388,330



Edelweiss Trustee Services Limited

Notes to the financial statements (continued)

(Currency : Indian Rupees)

20 Segment reporting:

The Company is engaged only in trusteeship services during the year. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Since business operations of the Company are concentrated in India, the Company is considered to operate only in domestic segment and therefore there is no reportable geographic segment.

21 Disclosure as required by Accounting Standard 18 - "Related Party Transactions" 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:

Name of related parties by whom control is exercised	Edelweiss Financial Services Limited, ultimate holding company
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Commodities Services Limited Edelweiss Business Services Limited (formerly known as Edelweiss Web Services Limited) Edelweiss Private Equity Tech Fund EW Clover Scheme Edelweiss Broking Limited Edelweiss Value and Growth Fund ECap Equities Limited

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2017-18	2016-17
1	Short term loans given to (Refer note 1)	Edelweiss Commodities Services Limited	2,274,500	11,000,000
2	Short term loans repaid by (Refer note 1)	Edelweiss Commodities Services Limited	13,274,500	-
3	Interest income on loans given to	Edelweiss Commodities Services Limited	1,320,763	1,206,082
4	Fees income received from	EW Clover Scheme	500,000	500,000
		Edelweiss Private Equity Tech Fund	50,000	37,500
		Edelweiss Value and Growth Fund	50,000	-
5	Cost reimbursements paid to	ECap Equities Limited	-	105,000
6	Reimbursements paid to	Edelweiss Financial Services Limited	-	187,510
		Edelweiss Business Services Limited	25,000	2,500
		Edelweiss Commodities Services Limited	363,273	468,383
7	Processing fees paid to	Edelweiss Business Services Limited	-	80
8	Legal and professional fees	Edelweiss Business Services Limited	781,642	150
9	Purchase of Fixed Asset	Edelweiss Broking Limited	4,575,000	-
	Balances with related parties			
9	Accrued interest income on loans given to	Edelweiss Commodities Services Limited	-	96,695
10	Trade receivable from	EW Clover Scheme	-	500,000
		Edelweiss Private Equity Tech Fund	-	37,500
11	Trade payables	Edelweiss Business Services Limited	257,713	241
		ECap Equities Limited	-	105,000
		Edelweiss Broking Limited	4,941,000	-
12	Short term loans given to (Refer note 1)	Edelweiss Commodities Services Limited	-	11,000,000

Note 1:

The Intra group company loans are generally in the nature of revolving demand loans. Loan given to related parties are disclosed based on the maximum incremental amount given during the reporting period



Edelweiss Trustee Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

22 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.

	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)	1,466,009	1,571,056
b)	Calculation of weighted average number of Equity Shares of Rs. 10 each		
	- Number of shares at the beginning of the year	50,000	50,000
	- Number of shares issued during the year		
	Total number of equity shares outstanding at the end of the year	50,000	50,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	50,000	50,000
	Nominal value per share	10	10
c)	Basic and diluted earnings per share (in Rupees) (a/b)	29.32	31.42

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

23 Details of dues to micro enterprise and small enterprise

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.

24 Contingent liabilities and commitments

The Company has no capital commitment and contingent liabilities as at balance sheet date Rs. NIL (Previous year: Rs. Nil). The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same

24A. Previous year comparatives

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



Edelweiss Trustee Services Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

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

Particulars	Specified bank notes *	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

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

As per report of even date attached.

For Price Waterhouse Chartered Accountants LLP

Chartered Accountants

Firm's Registration No: 012754N/N5000016



Arvind Daga

Partner

Membership No: 108290

Mumbai

30 April 2018

For and on behalf of the Board of Directors



Biren Shah

Director

DINS – 01258542

Mumbai

30 April 2018



Arakoni V. Ramaswamy

Director

DIN -00547188