

Edel Investments Limited

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

Edel Investments Limited

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

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KHANDELWAL PRAKASH MURARI BHANDARI & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
EDEL INVESTMENTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Edel Investments Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, Statement of Profit and Loss and 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

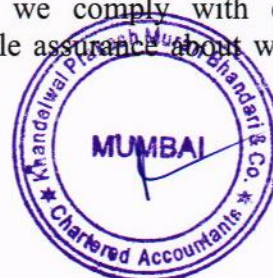
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in 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 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.

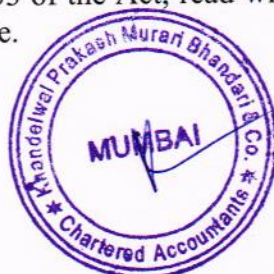
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 31st March, 2018, 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 matter specified in the paragraph 3 and 4 of the order.
- 2) As required by Section 143 (3) of the Act, we report, to the extent applicable, 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, 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, as applicable.




- e) On the basis of the written representations received from the Directors of the company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 Report in "**Annexure B**".
- 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 any provision required for material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Refer note **2.37** to the financial statements.

For **Khandelwal Prakash Murari Bhandari & Co.**

Chartered Accountants

Firm Registration No. 102454W


Piyush Patni

Partner

Membership No.143869

Mumbai

30 April 2018



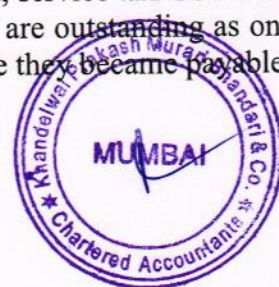
M/S EDEL INVESTMENTS LIMITED

Annexure "A" to Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone 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) The Company has a regular programme of physical verification of its fixed assets by which 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 the nature of its assets;
- c) According to the information and explanations given to us and on the basis of our examination of the records, the Company does not own any immovable property as at balance sheet date;
- (ii) Based on our examination of documents and records, the Company did not own any physical inventory at any time during the year. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanation given to us, during the year the Company has not granted any loan, 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, paragraph 3 (iii) of the order is not applicable.
- (iv) The Company has not granted any loans, guarantees, security or has not made any investment which attracts the provisions of section 185 and 186 of the Companies Act 2013. Accordingly, paragraph 3(iv) of the order is not applicable.
- (v) The Company has not accepted any deposits from public.
- (vi) The Central Government has not prescribed the maintenance of Cost records under section 148 (1) of Act, for the Company.
- (vii)(a) According to the information and explanation given to us and records examined by us, the Company is generally being regular in deposit of undisputed statutory dues including income tax, Provident fund, service tax/GST, or cess and any other material statutory dues applicable to the company. As explained to us the Company does not have any dues on account of Employees' State Insurance, Sales Tax, Wealth Tax, duty of custom and duty of excise.

According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of income tax, provident fund, service tax/GST and any other material statutory dues applicable to the company which are outstanding as on 31st March, 2018 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given, there are no dues of service tax/GST, provident fund other material statutory dues applicable to the company which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Provision for loss on Currency Derivatives	34,906	Assessment Year 2014-15	CIT(Appeals)
Income Tax Act, 1961	Provision for loss on Currency Derivatives	3,81,033	Assessment Year 2015-16	CIT(Appeals)

- (viii) Based on information available and explanations given by the management, the company has not taken any loan from financial institutions, banks, government or 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 material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) 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 records examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

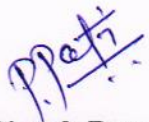


- (xiv) According to the information and explanations give to us and records examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and records examined by us, 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 **Khandelwal Prakash Murari Bhandari & Co.**

Chartered Accountants

Firm Registration No. 102454W



Piyush Patni

Partner

Membership No.143869

Mumbai

30 April 2018



Annexure-B to the Independent Auditors' Report

Report on the Internal Financial Controls over financial reporting 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 **Edel Investments Limited ("the Company")** as at 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended and as 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 ('the Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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 Standard of Auditing prescribed under section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

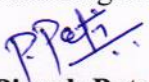
Opinion

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 31st 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 **Khandelwal Prakash Murari Bhandari & Co.**

Chartered Accountants

Firm Registration No. 102454W


Piyush Patni

Partner

Membership No.143869

Mumbai

30 April 2018



Edel Investments Limited

(Currency : Indian Rupees)

	Note	As at 31 March 2018	As at 31 March 2017
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	2.1	33,700,000	38,200,000
(b) Reserves and surplus	2.2	363,300,956	80,037,930
		<u>397,000,956</u>	<u>118,237,930</u>
Non-current liabilities			
Long-term provisions	2.3	338,374	-
Current liabilities			
(a) Short-term borrowings	2.4	497,961,731	1,605,686,848
(b) 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	7,180,731	1,201,252
(c) Other current liabilities	2.6	20,266,564	15,228,487
(d) Short-term provisions	2.7	16,334	10,736,740
		<u>525,425,360</u>	<u>1,632,853,327</u>
TOTAL - EQUITY AND LIABILITIES		<u><u>922,764,690</u></u>	<u><u>1,751,091,257</u></u>
ASSETS			
Non-current assets			
(a) Fixed assets	2.8		
Tangible assets		953,092	5,128
Intangible assets		444,866	-
(b) Non-current investments	2.9	10	1,522,530,000
(c) Deferred tax assets (Net)	2.10	428,321	36,508,633
(d) Long-term loans and advances	2.11	23,151,730	8,869,776
		<u>24,978,019</u>	<u>1,567,913,537</u>
Current assets			
(a) Current Investments	2.12	2,280	-
(b) Stock-in-trade	2.13	571,787,938	34,007,273
(c) Trade receivables	2.14	183,009,210	180,021
(d) Cash and cash equivalents	2.15	4,619,508	2,476,542
(e) Short-term loans and advances	2.16	11,986,303	12,310,155
(f) Other current assets	2.17	126,381,432	134,203,729
		<u>897,786,671</u>	<u>183,177,720</u>
TOTAL ASSETS		<u><u>922,764,690</u></u>	<u><u>1,751,091,257</u></u>

Significant accounting policies and notes to financial statements.

1 & 2

As per our report of even date attached.

For Khandelwal Prakash Murari Bhandari & Co.
Chartered Accountants
Firms' Registration No. 102454W

Piyush Patni
Partner
Membership No: 143869

Mumbai
30 April 2018



For and on behalf of the Board of Directors

Harish Chander Deepak Mundra

Harish Chander
Director
DIN: 02496419

Deepak Mundra
Director
DIN: 06733120

Edel Investments 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	2.18	40,340,722	-
Income from treasury operations and investments	2.19	520,820,747	207,545,706
Interest income	2.20	7,527,154	1,397,992
Other income	2.21	1,944,749	416
Total revenue		570,633,372	208,944,114
Expenses			
Employee benefit expenses	2.22	34,045,273	1,412,587
Finance costs	2.23	195,346,515	148,830,907
Depreciation and amortization expenses	2.8	546,335	99
Other expenses	2.24	16,918,583	10,083,195
Total expenses		246,856,706	160,326,788
Profit before tax		323,776,666	48,617,326
Tax expense:			
Income tax (includes excess provision for earlier years Rs. 346)		(346)	10,076,000
MAT credit entitlement (includes excess entitlement for earlier years Rs. 346)		(66,328)	(10,076,000)
Deferred tax charge/(benefit)		36,080,314	(36,505,988)
Profit after tax for the year		287,763,026	85,123,314
Earnings per equity share (Face value of Rs. 10 each)	2.30		
(1) Basic		85.39	25.26
(2) Diluted		85.39	25.26

Significant accounting policies and notes to financial statements. 1 & 2

As per our report of even date attached.


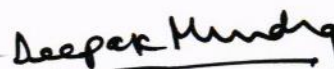
For Khandelwal Prakash Murari Bhandari & Co.
Chartered Accountants
Firms' Registration No. 102454W

For and on behalf of the Board of Directors


Piyush Patni
Partner
Membership No: 143869



Mumbai
30 April 2018

 
Harish Chander
Director
DIN: 02496419
Deepak Mundra
Director
DIN: 06733120

Edel Investments 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	323,776,666	48,617,326
Adjustments for		
Interest income	-	(8,777)
Depreciation	546,335	99
Interest expense	195,342,926	148,830,792
Profit on sale of fixed assets	(171,468)	-
Share of profit from partnership firm	(2,280)	-
Profit on sales of non current Investment	(277,470,000)	-
Provision for gratuity and compensated leave absences	354,708	(8,000)
Operating cash flow before working capital changes	242,376,887	197,431,440
Adjustments for working capital changes		
(Increase) / decrease in trade receivables	(182,829,192)	12,581,752
(Increase) / decrease in stock in trade	(537,780,665)	28,874,544
Decrease in loans and advances	209,133	117,212
Decrease / (increase) in other assets	6,315,784	(14,794,958)
Increase / (decrease) in liabilities and provisions	15,978,265	(1,595,794)
Cash (used in) / generated from operations	(455,729,788)	222,614,196
Income tax (paid) / refund	(24,837,301)	660,740
Net cash (used in) / generated from operating activities - A	(480,567,089)	223,274,936
B Cash flow from investing activities		
Purchase of fixed assets	(2,750,200)	(5,227)
Sale of fixed assets	982,503	-
Investment in property	-	(1,522,530,000)
Sale of non current investment	1,800,000,000	-
Investment in partnership firm	(10)	-
Interest received	6,514	21,701
Decrease in short term/long term loans and advances (net)	-	313,000
Net cash generated from / (used in) investing activities - B	1,798,238,807	(1,522,200,526)



Edel Investments Limited

Cash Flow Statement

(Currency : Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
C Cash flow from financing activities		
Redemption of preference shares	(9,000,000)	-
(Repayment of) / proceeds from short term borrowings (net)	(1,107,725,118)	1,414,692,616
Interest paid	(200,303,634)	(138,406,465)
Net cash (used in) / generated from financing activities - C	(1,317,028,752)	1,276,286,151
Net increase / (decrease) in cash and cash equivalents (A+B+C)	642,966	(22,639,438)
Cash and cash equivalents as at the beginning of the year	1,601,542	24,240,980
Cash and cash equivalents as at the end of the year	2,244,508	1,601,542

Notes:

- 1 Cash and cash equivalents include the following:

Balances with bank		
In current account	2,244,508	1,601,542
	<u>2,244,508</u>	<u>1,601,542</u>

- 2 Net figures have been reported on account of volume of transactions.

As per our report of even date attached.

For Khandelwal Prakash Murari Bhandari & Co.

Chartered Accountants

Firms' Registration No. 102454W

Piyush Patni

Partner

Membership No: 143869

Mumbai

30 April 2018



For and on behalf of the Board of Directors

Harish Chander

Harish Chander

Director

DIN: 02496419

Deepak Mundra

Deepak Mundra

Director

DIN: 06733120

Edel Investments Limited

Notes to the financial statements

(Currency: Indian Rupees)

1. Significant accounting policies

1.1 Basis of preparation of financial statements

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



Edel Investments Limited

Notes to the financial statements (*continued*)

(Currency: Indian Rupees)

1. Significant accounting policies (*continued*)

1.4 Revenue recognition

- Fee income is accounted on accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Brokerage income is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date.
- Income from treasury operations 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, market intermediary quotes, valuation techniques are 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.
- Interest income is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- 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.

1.5 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.



Edel Investments Limited

Notes to the financial statements (*continued*)

(Currency: Indian Rupees)

1. Significant accounting policies (*continued*)

1.6 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 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.

1.7 Stock-in-trade

- The securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and disclosed as current assets.
- The securities held as stock-in-trade are valued at lower of weighted average cost or market value.
- In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- Stock-in-trade in the form of commodities are valued at cost or net realisable value, whichever is lower.

1.8 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 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.

1.9 Borrowing Costs

Borrowing costs include interests, 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.



Edel Investments Limited

Notes to the financial statements (*continued*)

(Currency: Indian Rupees)

1. Significant accounting policies (*continued*)

1.10 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.

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

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 the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit 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.

Deferred bonus

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



Edel Investments Limited

Notes to the financial statements (*continued*)

(Currency: Indian Rupees)

1. Significant accounting policies (*continued*)

1.12 Derivatives

1 (a) Outstanding derivative contracts are measured at fair value as at each Balance Sheet date. Fair value of derivatives is determined using quoted market prices in an actively traded market for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, a valuation technique is used to determine the fair value. In most cases, the valuation techniques used as input parameters are observable market data in order to ensure reliability of the fair value measure.

1 (b) In accordance with 'Guidance Note on Accounting for Derivative Contracts' issued by the Institute of Chartered Accountants of India effective from 1 April 2016, the Company recognises all mark to market gains or losses on derivative contracts in the statement of profit and loss.

2 (a) "Margin – Equity Derivative Instrument" representing the initial margin paid and /or additional margin paid over and above the initial margin, for entering into contracts for equity index/ stock futures and equity index/ stock options, which are released on final settlement / squaring – up of the underlying contracts, are disclosed under other current assets. "Margin Deposits – Equity Derivative Instrument" representing the deposit paid in respect of mark to market margin is disclosed under other current assets.

2 (b) "Equity Index/ Stock Option Premium Account" represents the premium paid or received for buying or selling the options, respectively.

1.13 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.

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 these 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 recognized where 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.



Edel Investments Limited

Notes to the financial statements (*continued*)

(Currency: Indian Rupees)

1. Significant accounting policies (*continued*)

1.14 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.

1.15 Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment, 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 for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the estimated 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:

Class of assets	Useful life
Computers and data processing units - End user devices, such as desktops, laptops, etc.	3 years
Motor Vehicles	8 years

Intangible fixed assets

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



Edel Investments Limited

Notes to the financial statements *(continued)*

(Currency: Indian Rupees)

1. *Significant accounting policies (continued)*

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



Edel Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

2.1 Share capital

Authorised :

4,500,000 (Previous year 4,500,000) Equity shares of Rs. 10/- each
500,000 (Previous year: 500,000) Preference shares of Rs. 10/- each

As at
31 March 2018

As at
31 March 2017

45,000,000	45,000,000
5,000,000	5,000,000
<u>50,000,000</u>	<u>50,000,000</u>

Issued, Subscribed and Paid up:

3,370,000 (Previous year: 3,370,000) Equity shares of Rs. 10/- each, fully paid-up *

33,700,000	33,700,000
------------	------------

Nil (Previous year: 450,000) 7% Redeemable non-cumulative,
non-convertible, preference shares of Rs. 10 each **

-	4,500,000
---	-----------

<u>33,700,000</u>	<u>38,200,000</u>
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Note:

* 3,370,000 (Previous year: 3,370,000) equity shares of Rs. 10 each fully paid up are held by Edelweiss Financial Services Limited, the holding company and its nominees

** 450,000 (previous year - Nil) preference shares held by Edelweiss Financial Services Limited, the holding company, were redeemed @20 per share.

Reconciliation of number of shares outstanding :

Number of shares outstanding at the beginning of the year
Shares issued during the year
Number of shares outstanding at the end of the year

3,370,000	3,370,000
-	-
<u>3,370,000</u>	<u>3,370,000</u>

Reconciliation of share capital:

Share capital at the beginning of the year
Share capital issued during the year
Share capital at the end of the year

33,700,000	33,700,000
-	-
<u>33,700,000</u>	<u>33,700,000</u>

Reconciliation of number of preference shares outstanding:

Number of shares outstanding at the beginning of the year
Shares issued during the year
Shares redeemed during the year
Number of shares outstanding at the end of the year

450,000	450,000
-	-
<u>(450,000)</u>	-
-	<u>450,000</u>

Reconciliation of preference share capital:

Share capital at the beginning of the year
Share capital issued during the year
Share capital redeemed during the year
Share capital at the end of the year

4,500,000	4,500,000
-	-
<u>(4,500,000)</u>	-
-	<u>4,500,000</u>

Terms/rights attached to equity shares:

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

Terms/rights attached to preference shares:

The Preference Shares of Rs. 10 each, allotted on March 31, 2015 for cash at a premium of Rs.10 per share, were redeemed at Rs. 20 /- per share on March,28 2018



Edel Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

2.2 Reserves and surplus

	As at 31 March 2018	As at 31 March 2017
A Capital Redemption Reserve - Opening balance	-	-
Add : Additions during the year	4,500,000	-
	<u>4,500,000</u>	<u>-</u>
B Securities Premium Account - Opening balance	16,800,000	16,800,000
Less : Utilisation during the year	(4,500,000)	-
Securities Premium Account - Closing balance	<u>12,300,000</u>	<u>16,800,000</u>
C Statement of profit and loss		
Opening balance	63,237,930	(21,885,384)
Add: Profit for the year	287,763,026	85,123,314
Amount available for appropriation	<u>351,000,956</u>	<u>63,237,930</u>
Appropriations:		
Transfer to capital redemption reserve	4,500,000	-
Net surplus/(deficit) in the statement of profit and loss	<u>346,500,956</u>	<u>63,237,930</u>
TOTAL (A+B=C)	<u><u>363,300,956</u></u>	<u><u>80,037,930</u></u>



Edel Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.3 Long-term provisions		
Provision for employee benefits :		
Gratuity	284,374	-
Compensated leave absences	54,000	-
	<u>338,374</u>	<u>-</u>
2.4 Short-term borrowings		
<i>Unsecured</i>		
Loan from related parties (repayable on demand at interest rate of 10% p.a. (Previous year: 10% p.a.))	160,021,646	605,686,848
Loan from Others (repayable on demand at interest rate of 12.00% p.a. (Previous year: 11.50% p.a.))	337,940,085	1,000,000,000
	<u>497,961,731</u>	<u>1,605,686,848</u>
2.5 Trade payables		
Trade payables to non-related parties	1,053,912	1,193,870
Trade payables to related parties (Including sundry creditors and provision for expenses)	6,126,819	7,382
	<u>7,180,731</u>	<u>1,201,252</u>
2.6 Other current liabilities		
Interest accrued and due on borrowings	8,460,556	13,421,264
Premium received on exchange traded options	-	801,823
Other Payables		
Accrued salaries and benefits	8,772,339	-
Withholding tax and other taxes payable	3,033,669	1,005,400
	<u>20,266,564</u>	<u>15,228,487</u>
2.7 Short-term provisions		
Provision for employee benefits :		
Compensated leave absences	16,334	-
Others		
Provision for taxation (net of tax deducted at source Rs. Nil (Previous year Rs. 139,149))	-	10,736,740
	<u>16,334</u>	<u>10,736,740</u>



Edel Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.8 Fixed assets

	Gross Block				Depreciation			Net Block	
Description of Assets	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 2017
Tangible assets									
Computers	5,227	1,268,792	-	1,274,019	99	320,828	-	320,927	5,128
Motor vehicles	-	984,845	984,845	-	-	173,810	173,810	-	-
Total : A	5,227	2,253,637	984,845	1,274,019	99	494,638	173,810	320,927	5,128
Intangible assets									
Computer software	-	496,563	-	496,563	-	51,697	-	51,697	-
Total : B	-	496,563	-	496,563	-	51,697	-	51,697	-
Grand Total	5,227	2,750,200	984,845	1,770,582	99	546,335	173,810	372,624	5,128
Previous Year	-	5,227	-	5,227	-	99	-	99	-



Edel Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.9 Non-current investments		
Others (unquoted)		
Investment in property	-	1,522,530,000
Investment in partnership firm		
- Capital account	10	-
	<u>10</u>	<u>1,522,530,000</u>
2.10 Deferred tax assets (Net)		
Deferred tax assets		
DTA on unabsorbed loss	-	48,230,401
Unrealised gain on equity/derivative instruments	363,724	-
Disallowances under section 43B of the Income Tax Act, 1961	98,680	-
	<u>462,404</u>	<u>48,230,401</u>
Deferred tax liabilities		
Unrealised gain on equity/derivative instruments	-	11,721,282
Difference between book and tax depreciation	34,083	486
	<u>34,083</u>	<u>11,721,768</u>
	<u>428,321</u>	<u>36,508,633</u>
2.11 Long-term loans and advances		
Other deposits	45,000	45,000
(Current year Rs. 45,000 (previous year Rs. 45,000), marked as 'lien in favour of Value Added Tax authorities)		
Advance income taxes (net of income tax provision of Rs. 14,020,112 (Previous year Rs. 2,945,845))	23,106,730	8,824,776
	<u>23,151,730</u>	<u>8,869,776</u>
2.12 Current investments		
Investments in partnership firms	2,280	-
- Current account (refer note 2.9)		
	<u>2,280</u>	<u>-</u>



Edel Investments Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.13 Stock-in-trade		
<i>Securities</i>		
Equity shares (quoted)	1,080,000	34,007,273
Mutual funds (unquoted)	570,707,938	-
	<u>571,787,938</u>	<u>34,007,273</u>
Aggregate of inventories in equity shares (quoted)		
- At carrying value	1,080,000	34,007,273
- At market value	1,116,000	34,007,273

Details of Stock-in-trade

	As at 31 March 2018			As at 31 March 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<i>Securities</i>						
<i>Equity shares (quoted)</i>						
GVK Power & Infrastructure Limited	-	-	-	10	5,715,508	34,007,273
Total Transport Systems Limited	10	24,000	1,080,000			
			<u>1,080,000</u>			<u>34,007,273</u>
<i>Mutual funds (unquoted)</i>						
JM Equity Fund - Monthly Dividend Option		47,724,041	570,707,938			-
			<u>570,707,938</u>			<u>-</u>



Edel Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
2.14 Trade receivables		
Other debts		
Unsecured, considered good	183,009,210	180,021
	<u>183,009,210</u>	<u>180,021</u>
2.15 Cash and cash equivalents		
Balances with banks		
- in current accounts	2,244,508	1,601,542
Other balances with banks		
In fixed deposits, held as margin money or security against borrowings, guarantees (refer note 2.36)	2,375,000	875,000
	<u>4,619,508</u>	<u>2,476,542</u>
2.16 Short-term loans and advances		
Other loans and advances		
Prepaid expenses	123,200	42,528
Vendor Advances	505,634	909,439
Advance tax and tax deducted at source	-	181,047
MAT credit entitlement	11,243,469	11,177,141
Advances recoverable in cash or in kind or for value to be received	114,000	-
	<u>11,986,303</u>	<u>12,310,155</u>
2.17 Other current assets		
Accrued interest on fixed deposits	49,443	6,514
Accrued interest on margin	272,726	53,698
Currency options premium paid	4,275,000	899,673
Margin placed with broker	121,784,263	133,243,844
	<u>126,381,432</u>	<u>134,203,729</u>



Edel Investments Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
2.18 Fee and commission income		
Income from Broking	2,743	-
Referral & Other Fees	40,337,979	-
	<u>40,340,722</u>	<u>-</u>
2.19 Income from treasury operations and investments		
(Loss) / profit on trading of securities (net)	(296,516,940)	23,952,347
Profit on trading in equity derivative Instruments (net)	6,006,738	30,161,987
Profit on trading in currency derivative instruments (net)	28,752,658	38,665,014
Profit on trading in interest rate derivative (net)	75,588,155	114,766,358
Profit on sale of real estate	277,470,000	-
Dividend on stock in trade	429,517,856	-
Share of profit in partnership firm	2,280	-
	<u>520,820,747</u>	<u>207,545,706</u>
2.20 Interest income		
Interest income on loan	-	8,777
Interest income on fixed deposits	110,987	6,514
Interest income on margin with brokers	7,416,167	1,382,701
	<u>7,527,154</u>	<u>1,397,992</u>
2.21 Other income		
Excess provision written back	341,500	-
Profit on sale of fixed assets (net)	171,468	-
Miscellaneous income	23	416
Interest income - others	1,431,758	-
	<u>1,944,749</u>	<u>416</u>



Edel Investments 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 Employee benefit expenses		
Salaries and wages	32,906,665	1,272,493
Contribution to provident and other funds (refer note 2.29)	772,354	62,760
Staff welfare expenses	366,254	77,334
	<u>34,045,273</u>	<u>1,412,587</u>
2.23 Finance costs		
Interest on loan from holding company	-	26,359
Interest on loan from fellow subsidiaries	113,519,240	144,538,791
Interest on Margin	3,312	-
Interest - others	81,823,686	4,265,642
Financial and bank charges	277	115
	<u>195,346,515</u>	<u>148,830,907</u>
2.24 Other expenses		
Advertisement and business promotion	-	7,982
Auditors' remuneration (refer note 2.27)	119,326	105,500
Commission and brokerage	-	2,067,577
Communication	386,208	158,350
Computer expenses	59,969	-
Computer software	355,672	-
Clearing and custodian charges	181,550	270,000
Dematerialisation charges	4,500	-
Donation (refer note 2.38)	100,000	-
Electricity charges (refer note 2.35)	160,786	182,391
Insurance	19,484	23,213
Legal and professional fees (refer note 2.35)	11,377,565	1,699,237
Membership & Subscription	1,150	560,000
Office expenses	40,023	(28,641)
Printing and stationery	2,456	4,320
Rates and taxes	9,366	213,073
Rent (refer note 2.35)	1,359,824	627,439
Repairs and maintenance - others	54,775	1,000
Security transaction tax	491,523	2,984,775
Service tax expenses	1,672,998	282,512
Stamp duty	44,933	843,139
Stock exchange expenses	21,548	16,811
Transportation Charges	-	2,795
Travelling and conveyance	454,734	61,417
Warehousing charges	-	305
Miscellaneous expenses	193	-
	<u>16,918,583</u>	<u>10,083,195</u>



Edel Investments Limited

Notes to the financial statements

(Currency: Indian Rupees)

2.25 Segment reporting

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

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

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

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

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) Capital based business	528,848,729	208,944,114
b) Agency business	40,352,885	-
c) Unallocated	1,431,758	-
Total	570,633,372	208,944,114
Less : Inter segment revenue	-	-
Total income	570,633,372	208,944,114
II Segment results		
a) Capital based business	285,483,492	160,326,788
b) Agency business	36,871,059	-
c) Unallocated	1,422,115	-
Total	323,776,666	160,326,788
Profit before taxation	323,776,666	48,617,326
Less : Provision for taxation	36,013,640	(36,505,988)
Profit after taxation	287,763,026	85,123,314



Edel Investments Limited

Notes to the financial statements

(Currency: Indian Rupees)

2.25 Segment reporting (continued)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
III Segment assets		
a) Capital based business	885,589,803	1,751,091,257
b) Agency business	151,860	-
c) Unallocated	37,023,027	-
Total	922,764,690	1,751,091,257
IV Segment liabilities		
a) Capital based business	522,197,068	1,632,853,327
b) Agency business	532,997	-
c) Unallocated	3,033,669	-
Total	525,763,734	1,632,853,327
V Capital expenditure (Including capital work-in-progress)		
a) Capital based business	2,750,200	5,227
VI Depreciation and amortisation		
a) Capital based business	507,580	99
b) Agency business	38,755	-
Total	546,335	99
VII Significant non-cash expenses other than depreciation and amortisation		
a) Capital based business	223,633	(8,000)
b) Agency business	17,075	-
Total	240,708	(8,000)



Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.26 Related Parties

In accordance with Accounting Standard 18 on Related party transactions notified 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 (Holding company)
Fellow Subsidiaries (with whom transactions have taken place)	Edelweiss Commodities Services Limited Edelweiss Finance and Investments Limited Edelweiss Business Services Limited Edelweiss Securities Limited Edelweiss Custodial Services Limited
Enterprise over which significant influence is exercised	Edelweiss Multi Strategy Fund Advisors LLP

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2018	For the year ended 31 March 2017
	Capital account transactions during the year			
1	Redemption of Preference Share capital by	Edelweiss Financial Services Limited	9,000,000	-
2	Investment in Partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	10	-
	Current account transactions during the year			
3	Short term loans taken from (refer note below)	Edelweiss Commodities Services Limited	4,988,370,328	8,505,302,888
4	Short term loans repaid to (refer note below)	Edelweiss Commodities Services Limited Edelweiss Financial Services Limited	5,434,035,528 -	8,089,495,147 1,115,125
5	Margins placed with (refer note below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	181,547,983 145,926,375	113,017,167 96,966,739
6	Margins withdrawn by (refer note below)	Edelweiss Securities Limited Edelweiss Custodial Services Limited	35,822,836 120,281,915	206,653,883 826,936
7	Share of profit in partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	2,280	-
8	Interest income on margins placed with	Edelweiss Securities Limited Edelweiss Custodial Services Limited	127,664 7,288,503	1,278,591 104,110
9	Interest expense on loans taken from	Edelweiss Commodities Services Limited Edelweiss Financial Services Limited	113,519,240 -	144,538,791 26,359



Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.26 Related Parties (continued)

ii. Transactions with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2018	For the year ended 31 March 2017
10	Interest expense on margin received from	Edelweiss Finance and Investments Limited	3,312	-
11	Reimbursements paid to	Edelweiss Financial Services Limited	-	2,470,422
		Edelweiss Commodities Services Limited	5,677,094	2,640,202
		Edelweiss Business Services Limited	510,780	302,625
12	Clearing charges paid to	Edelweiss Securities Limited	-	252,750
		Edelweiss Custodial Services Limited	181,550	17,250
13	Brokerage paid to	Edelweiss Securities Limited	776,834	956,283
14	Cost reimbursements recovered from	Edelweiss Finance and Investments Limited	114,000	-
15	Cost reimbursements paid to	Edelweiss Securities Limited	1,718	-
		Edelweiss Commodities Services Limited	1,520,610	809,830
		Edelweiss Financial Services Limited	72,117	77,334
		Edelweiss Business Services Limited	11,244,540	4,940
16	Processing fees paid to	Edelweiss Business Services Limited	-	2,090
17	Fixed asset purchased from	Edelweiss Securities Limited	984,845	-
	Balances with related parties			
18	Short term loans taken from	Edelweiss Commodities Services Limited	160,021,646	605,686,848
19	Trade payables to	Edelweiss Commodities Services Limited	500,477	-
		Edelweiss Business Services Limited	5,623,361	7,382
20	Interest payable on loans taken from	Edelweiss Commodities Services Limited	1,089,112	10,302,086
21	Interest payable on margin received from	Edelweiss Finance and Investments Limited	2,981	-
22	Investment in Partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	10	-
23	Partner's current account - receivable from	Edelweiss Multi Strategy Fund Advisors LLP	2,280	-
24	Trade receivables from	Edelweiss Securities Limited	183,009,210	180,022
		Edelweiss Financial Services Limited	-	-



Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.26 Related Parties (continued)

ii. Transactions with related parties (continued)

Sr. No.	Nature of Transaction	Related Party Name	For the year ended 31 March 2018	For the year ended 31 March 2017
25	Interest receivable on margins placed with	Edelweiss Securities Limited	1,736	23,319
		Edelweiss Custodial Services Limited	270,990	30,379
26	Other receivable from	Edelweiss Finance and Investments Limited	114,000	-
27	Margin placed with	Edelweiss Securities Limited	-	37,104,042
		Edelweiss Custodial Services Limited	121,784,263	96,139,803

Note: Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.

Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee : Loans have been given for general business purpose.



Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.27 Auditors' remuneration

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditors	116,326	100,000
Others	3,000	5,500
Total	119,326	105,500

2.28 Details of purchase, sale and change in stock-in-trade:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Securities		
Opening stock		
Mutual fund	-	-
Equity shares	34,007,273	62,881,817
Subtotal	34,007,273	62,881,817
Purchase		
Mutual fund	1,000,000,000	-
Equity shares	993,472,017	72,235,572
Subtotal	1,993,472,017	72,235,572
Sales		
Mutual fund	-	-
Equity shares	1,159,174,412	125,062,463
Subtotal	1,159,174,412	125,062,463
Closing stock		
Mutual fund	570,707,938	-
Equity shares	1,080,000	34,007,273
Subtotal	571,787,938	34,007,273
(Loss) / Profit on trading of securities	(296,516,940)	23,952,347



Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2. 29 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits:

A) Defined contribution plan (provident fund)

Amount of Rs. 772,354 (Previous year: Rs. 62,760) is recognised as expenses and included in "employee benefit" – Notes 2.22 in the statement of profit and loss.

B) Defined benefit plan (gratuity):

The following tables summarise the components of the net employee benefit expenses recognised in the statement of profit and loss and amounts recognised in the balance sheet for the gratuity benefit plan.

Statement of profit and loss of the year

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	101,374	-
Interest on defined benefit obligation	8,000	-
Past Service Cost	61,000	-
Actuarial gain	-	(6,000)
Total included in employee benefit expenses	170,374	(6,000)

Details of provision for gratuity:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Liability at the end of the year	284,374	-
Amount in balance sheet	284,374	-



Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2. 29 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits:

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Transfer in/(out)	114,000	-
Interest cost	8,000	-
Current service cost	101,374	-
Past service cost	61,000	-
Actuarial gain on obligations	-	(6,000)
Liability at the end of the year	284,374	-

Non-current liability at the end of the year 284,374

Current liability at the end of the year Nil

Amount recognised in the balance sheet:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Liability at the end of the year	284,374	-
Fair value of plan assets at the end of year	-	-
Amount recognized in balance sheet	284,374	-

Experience adjustment:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
On plan liabilities gain	284,374	-
On plan assets gain	-	-
Estimated contribution for next year	284,374	-

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 current	7.30%	7.40%
Salary escalation current	7.00%	7.00%
Employees attrition rate	13%-25%	13%-25%



Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.30 Earnings per share

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

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a)	Profit / (loss) after tax (as per statement of profit and loss)	287,763,026	85,123,314
	Less: Dividend on preference share capital	-	-
	Net profit / (loss) for the year attributable to equity shareholders	287,763,026	85,123,314
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	3,370,000	3,370,000
	Number of Shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	3,370,000	3,370,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	3,370,000	3,370,000
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	85.39	25.26

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



Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.31 The following derivative contracts have open interests as at the balance sheet date:

a) Open interests in currency futures as at 31 March 2018:

Currency Pair	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
USD INR	< 1 month	-	-	20,132	20,132,000
GBP INR	< 1 month	300	300,000	-	-

Open interests in currency futures as at 31 March 2017:

Currency Pair	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
USD INR	< 1 month	989	989,000	30,300	30,300,000

b) Open interests in interest rate futures as at 31 March 2018: Nil

Open interests in interest rate futures as at 31 March 2017:

Maturity grouping	Long Position		Short Position	
	Number of contracts	Number of units	Number of contracts	Number of units
< 1 month	2	4,000	722	1,444,000

c) Open interests in equity index futures as at 31 March 2018:

Index Name	Maturity grouping	Long Position		Short Position	
		Number of contracts	Number of units	Number of contracts	Number of units
Nifty	< 1 month	-	-	301	22,575

Open interests in interest rate futures as at 31 March 2017: Nil

d) Option contracts outstanding as at 31 March 2018:

Option type	Premium Paid (Net of provision made)	Premium Received (Net of provision made)
Currency	4,275,000	-

Option contracts outstanding as at 31 March 2017:

Option type	Premium Paid (Net of provision made)	Premium Received (Net of provision made)
Currency	899,673	(801,823)



Edel Investments Limited

Notes to the financial statements *(continued)*

(Currency: Indian Rupees)

2.32 Earnings and expenditure in foreign currency

The Company did not have any earnings or expenditure in foreign currency during the reporting year (previous year Rs. Nil).

2.33 Details of dues to micro and small enterprises

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

2.34 Capital commitments and contingent liabilities

The Company has no capital commitments and contingent liabilities as at the balance sheet date (Previous year Rs. Nil).

2.35 Cost Sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like processing fees, 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, time spent by employees of other companies, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads in note 2.24 include reimbursements paid based on the management's best estimate.

2.36 Additional disclosure on fixed deposits

The Company has pledged fixed deposits aggregating to Rs. 2,375,000 (previous year: Rs. 875,000) with Bombay Stock Exchange for meeting margin requirements.

2.37 Dues to Investor Protection Fund

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



Edel Investments Limited

Notes to the financial statements (continued)

(Currency: Indian Rupees)

2.38 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. 228,356/-
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	Nil	Nil	Nil
(ii)	On purpose other than (i) above	Rs. 100,000	Nil	Rs. 100,000

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As an amount of Rs. 177,841,968 (Previous year: Rs. 115,684,300) (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended March 31, 2018, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2018.

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

As at 31 March 2018: Not Applicable

As at 31 March 2017:

	SBNs	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	-	-	-



Edel Investments Limited

Notes to the financial statements (*continued*)

(Currency: Indian Rupees)

2.40 Previous year comparatives

Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classification.

As per our report of even date attached.

For Khandelwal Prakash Murari Bhandari & Co.

Chartered Accountants

Firm Registration No. 102454W


Piyush Patni

Partner

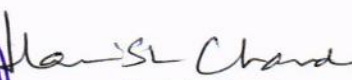
Membership No: 143869



Mumbai

30 April 2018

For and on behalf of the Board of Directors


Harish Chander

Director

DIN: 02496419


Deepak Mundra

Director

Director

DIN: 06733120