Independent Auditors' Report

To the Members of Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited)
Report on the Audit of the Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Management's Responsibilities for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

The comparative Ind AS financial statements of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017, included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements' prepared in accordance with the Companies (Accounting Standards) Rules 2006, have been audited by us and have expressed an unmodified opinion on those statements vide report dated April 21, 2018 and May 12, 2017 for the year ended March 31, 2018 and March 31, 2017 respectively, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

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(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) In our opinion and according to the information and explanation given to us, no remuneration has been paid by the Company to its directors during the current year.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. the Company does not have any pending litigations which would impact its financial position;
ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.:104796

Place: Mumbai
Date: 10 May, 2019

Annexure A to the Auditors' Report

<u>The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited) ('the Company') on the financial statements for the year ended March 31, 2019, we report that:</u>

(i) Based on our examination of documents and records, the Company does not own any fixed assets as at balance sheet date. Therefore, the provisions of clause 3(i)(a) to 3(i)(c) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.

(ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities and warehouse receipts in respect of commodities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.

(iii) As informed, during the year the Company has granted interest bearing unsecured loan to one company covered in the register maintained under section 189 of the Companies Act, 2013:

(a) In our opinion and according to the information and explanation given to us, the terms and conditions of above loan are prima facie not prejudicial to the interest of the Company.

(b) The borrower has been regular in repayment of the principal and payment of interest as stipulated.

(c) There is no overdue amount in respect of above loan granted to a company listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given and investments made have been complied with by the Company.

(v) The Company has not accepted any deposits from the public.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, sales tax, value added tax, service tax, goods and service tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, provident fund, duty of excise and duty of custom.

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

(b) According to the information and explanation given to us, there are no dues of income tax, service tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.

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(viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.:104796

Place: Mumbai
Date: 10 May, 2019

Annexure B to the Auditors' Report

Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited) ("the Company")

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

We have audited the internal financial controls over financial reporting of **Edelweiss Securities Trading and Management Private Limited (formerly known as Dahlia Commodities Services Private Limited) ("the Company")** as of March 31, 2019 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.: 104796

Place: Mumbai
Date: 10 May, 2019

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Balance Sheet

(Currency : Rupees in millions)

	Note	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
ASSETS				
Non-current assets				
Financial assets				
Investments	8	**24.64**	33.89	33.89
Current tax assets (net)	9	**12.46**	5.61	2.92
Deferred tax assets (net)	10	**45.18**	43.12	46.69
		82.28	82.62	83.50
Current assets				
Financial assets				
(i) Stock in trade	11	**0.31**	229.35	31.72
(ii) Investments	12	**18.53**	22.28	15.72
(iii) Trade receivables	13	-	1.47	0.36
(iv) Cash and cash equivalents	14	**1.16**	0.58	0.68
(v) Loans	15	**267.01**	426.75	1,815.84
(vi) Derivative financial instruments	16	-	2.67	0.49
(vii) Other financial assets	17	**119.71**	85.18	128.33
Current tax assets (net)	18	-	6.92	0.05
Other current assets	19	**9.21**	6.75	6.02
		415.93	781.95	1,999.21
TOTAL ASSETS		**498.21**	864.57	2,082.71
EQUITY AND LIABILITIES				
Equity				
Equity share capital	20	**2.00**	2.00	2.00
Other equity	21	**439.32**	363.60	256.29
		441.32	365.60	258.29
LIABILITIES				
Current liabilities				
Financial liabilities				
(i) Borrowings	22	**35.47**	490.03	1,804.14
(ii) Trade payables	23			
(a) total outstanding dues of micro enterprises and small enterprises		-	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		**2.70**	4.04	0.85
(iii) Derivative financial instruments	16	-	-	0.41
(iv) Other financial liabilities	24	-	0.20	0.20
Other current liabilities	25	**3.00**	4.70	1.63
Current tax liabilities (net)	26	**15.72**	-	17.19
		56.89	498.97	1,824.42
TOTAL EQUITY AND LIABILITIES		**498.21**	864.57	2,082.71

Significant accounting policies and notes forming part of the financial statements 1-53

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

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

NGS & CO. LLP
CHARTERED ACCOUNTANTS
MUMBAI

R. P. Soni
Partner
Membership No.:104796

Mumbai
10 May 2019

For and on behalf of the Board of Directors

Manjeet Bijlani
Director
DIN: 06714231

Shree Kumar Nair
Director
DIN: 05345277

Mumbai
10 May 2019

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Statement of Profit and Loss

(Currency : Rupees in millions)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Net gain on fair value changes	27	**76.22**	37.42
Dividend income	28	**37.59**	87.01
Interest income	29	**41.95**	132.19
Sale of commodities		**176.88**	392.61
Total revenue from operations		**332.64**	649.23
Other income	30	**0.10**	-
Total income		**332.74**	649.23
Expenses			
Purchases of commodities		**176.84**	392.47
Employee benefit expenses	31	**0.50**	0.50
Finance costs	32	**37.33**	141.64
Impairment loss on financial instruments	33	**1.59**	1.77
Other expenses	34	**23.57**	9.88
Total expenses		**239.83**	546.26
Profit before tax		**92.91**	102.97
Tax expenses:			
Current tax		**19.17**	7.24
Deferred tax		**(1.98)**	(11.58)
Profit for the year		**75.72**	107.31
Other comprehensive income		**-**	-
Total comprehensive income		**75.72**	107.31
Earnings per equity share (Face value of ₹ 10 each):	37		
Basic (in rupees)		**378.57**	536.56
Diluted (in rupees)		**378.57**	536.56
Significant accounting policies and notes forming part of the financial statements	1-53		

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

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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.:104796

Mumbai
10 May 2019

For and on behalf of the Board of Directors

Manjeet Bijlani
Director
DIN: 06714231

Shree Kumar Nair
Director
DIN: 05345277

Mumbai
10 May 2019

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Statement of Changes in Equity

(Currency : Rupees in millions)

A. Equity share capital

	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year	**2.00**	2.00	2.00
Changes in equity share capital (refer note 20)	-	-	-
Balance at the end of the year	**2.00**	2.00	2.00

B. Other equity

	Retained earnings	Total
Balance at 1 April 2017 (Indian GAAP)	**259.05**	**259.05**
Ind AS adjustments	**(2.76)**	**(2.76)**
Profit for the year	107.31	107.31
Other comprehensive income	-	-
Total comprehensive income for the year	107.31	107.31
Balance at 31 March 2018 (Ind AS)	**363.60**	**363.60**
Profit for the year	75.72	75.72
Total comprehensive income for the year	**75.72**	**75.72**
Balance at 31 March 2019 (Ind AS)	**439.32**	**439.32**

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

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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.:104796

Mumbai
10 May 2019

For and on behalf of the Board of Directors

Manjeet Bijlani
Director
DIN: 06714231

Shree Kumar Nair
Director
DIN: 05345277

Mumbai
10 May 2019

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Cash Flow Statement

(Currency : Rupees in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities		
Profit before taxation	**92.91**	102.97
Adjustments for		
Impairment on financial instruments	**1.59**	1.77
Share of profit from partnership firm	**(10.61)**	(22.28)
Interest income	**(36.88)**	(127.07)
Effect of fair valuation of stock in trade	**-**	-
Interest expense	**36.54**	141.59
Operating cash flow before working capital changes	**83.55**	96.98
Adjustments for working capital changes		
Decrease / (increase) in trade receivables	**1.47**	(1.11)
Decrease / (increase) in stock in trade	**229.04**	(197.63)
Increase in other current assets	**(2.46)**	(0.73)
(Increase) / decrease in derivative and other financial assets	**(31.86)**	40.97
(Decrease) / increase in trade payables, other financial and other current liabilities	**(3.23)**	5.84
Cash generated from / (used in) operations	**276.51**	(55.68)
Income tax paid	**(3.46)**	(18.85)
Net cash generated from /(used in) operating activities - A	**273.05**	(74.53)
B Cash flow from investing activities		
Sale of investment	**9.25**	-
Settlement of partner's current account	**14.36**	15.72
Repayment received from loan granted (net) (Refer note 1 below)	**187.50**	1,412.40
Interest received	**7.53**	102.00
Net cash generated from investing activities - B	**218.64**	1,530.12
C Cash flow from financing activities		
Repayment of borrowings (net) (Refer note 1 below)	**(142.30)**	(109.36)
Inter-corporate deposits repaid	**(312.50)**	(1,187.50)
Interest paid	**(36.31)**	(158.83)
Net cash used in financing activities - C	**(491.11)**	(1,455.69)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**0.58**	(0.10)
Cash and cash equivalents at the beginning of the year	**0.58**	0.68
Cash and cash equivalents at the end of the year (Refer note 14)	**1.16**	0.58

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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No.:104796

Mumbai
10 May 2019

For and on behalf of the Board of Directors

Manjeet Bijlani
Director
DIN: 06714231

Shree Kumar Nair
Director
DIN: 05345277

Mumbai
10 May 2019

1. Background

Edelweiss Securities Trading and Management Private Limited (Formerly known as Dahlia Commodities Services Private Limited) ('the Company') was incorporated on 11 September 2009 under the Companies Act, 1956 as a private limited company.

The Company is jointly owned by Edelweiss Securities Limited and Edelweiss Securities And Investments Private Limited and it does business of trading in equity shares, derivatives and commodities.

2. Basis of preparation of financial statements

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

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 53 for information on how the Company adopted Ind AS for opening balance sheet.

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

3. Presentation of financial statements

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

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

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

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

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Assets

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

Liabilities

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

4. Significant accounting policies

4.1 Revenue recognition

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

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).
If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.
When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.
For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

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

4.1.3 Commodities sales are accounted when customer obtains the control of commodities.

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4.2 Financial Instruments

4.2.1 Date of recognition

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

4.2.2 Initial measurement of financial instruments

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

4.2.3 Day 1 profit or loss

When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in statement of profit and loss when the inputs become observable, or when the instrument is derecognised.

4.3 Classification of financial instruments

4.3.1 Financial assets:

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

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

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

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

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

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

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

4.3.1.1 Amortized cost and Effective interest rate (EIR)

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

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

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

4.3.1.2 Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value.

Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure

4.3.1.3 Investment in equity instruments

The Company subsequently measures all equity investments (other than subsidiaries) at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Investments in subsidiaries are carried at cost.

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4.3.1.4 Investment in mutual funds

The Company subsequently measures all mutual fund investments at fair value through profit or loss as these financial assets do not pass the contractual cash flow test as required by Ind AS- 109- Financial Instruments, for being designated at amortised cost or FVTOCI, hence classified at FVTPL

4.3.2 Financial liabilities

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

4.3.2.1 Debt securities and other borrowed funds

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

4.3.2.2 Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

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4.3.3 Financial liabilities and equity instruments

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

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

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

4.3.4 Derivatives

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in statement of profit and loss immediately.

4.4 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

4.5 Derecognition of financial assets and financial liabilities

4.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

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

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

4.5.2 Derecognition of financial assets other than due to substantial modification

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

A transfer qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

4.5.3 Derecognition of financial liabilities

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

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

4.6 Impairment of financial assets

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with loan commitment and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment.

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

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

If a financial instrument includes both a loan (i.e. financial asset) and an undrawn commitment (i.e. loan commitment) component and the Company cannot separately identify the ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment have been recognised together with the loss allowance for the financial asset. To the extent that the combined ECL exceed the gross carrying amount of the financial asset, the ECL have been recognised as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognised as a provision.

4.7 Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.
To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

4.8 Collateral repossessed

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.
In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

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4.9 Write off

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

4.10 Forborne and modified loan

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

4.11 Determination of fair value

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

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

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

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- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

4.12 Earnings per share

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

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

4.13 Foreign currency transactions

The financial statements are presented in Indian Rupees. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the spot rate as at the date of recognition.

Exchange differences on monetary items are recognised in statement of profit and loss in the period in which they arise.

4.14 Cash and cash equivalents

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

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4.15 Provisions and Contingent liabilities

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

4.16 Income tax expenses

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

4.16.1 Current tax

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

4.16.2 Deferred tax

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

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

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

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

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

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

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

4.16.3 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.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments', estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Critical judgements in applying accounting policies
The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

5.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

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5.2 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

6. Standards issued but not yet effective

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

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

(b) Long-term Interests in Associates and Joint Ventures (Amendments to Ind AS 28)

The amendment clarifies that Ind AS 109, including its impairment requirements, applies to long-term interests. Furthermore, in applying Ind AS 109 to long-term interests, an entity does not take into account adjustments to their carrying amount required by Ind AS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with Ind AS 28). These amendments are to be applied retrospectively in accordance with Ind AS 8 for annual reporting periods beginning on or after 1 April 2019. Specific transition provisions apply depending on whether the first-time application of the amendments coincides with that of Ind AS 109.

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

Annual Improvements to Ind AS (2018)

(a) Ind AS 12 Income taxes

The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

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(b) Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12)
This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

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

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

7. Merger

The Board of Directors of the Company at their meeting held on 22 March 2019 had approved the proposed Scheme of Amalgamation under sections 230 to 232 read with section 66 and all other applicable provisions of the Companies Act, 2013, (the 'Act') providing for the amalgamation of Edelweiss Securities Trading and Management Private Limited (Formerly known as Dahlia Commodities Services Pvt Ltd.) (hereinafter referred to as "Transferor Company") into "Edelweiss Securities And Investments Private Limited" (Formerly known as 'Magnolia Commodities Services Pvt Ltd.') (hereinafter referred to as "Transferee Company") with effect from 01 April 2018 or such other date as may be approved by the Honble National Company Law Tribunal, Bench at Hyderabad as the Appointed Date. The Appointed Date shall be the effective date and the Scheme shall be deemed to be effective from the Appointed Date. The aforesaid Scheme of Amalgamation has been filed with the Honble National Company Law Tribunal, Bench at Hyderabad, The Registrar of Companies and the Office of Official Liquidator, Hyderabad and The Regional Director, South East Region, Hyderabad on 07 May 2019. The aforesaid Scheme of Merger is still in process.

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Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements *(Continued)*

(Currency : Rupees in millions)

8 Investments

As at 31 March 2019

Particulars	At Amortised cost (1)	At cost (subsidiaries, associates, and joint ventures) (2)	Total (3)= (1+2)
a) Equity	-	24.60	24.60
b)Investment in partnership firm	0.04	-	0.04
Total - gross (A)	0.04	24.60	24.64
(i) Investments outside India	-	-	-
(ii) Investment in India	0.04	24.60	24.64
Total (B)	0.04	24.60	24.64
Less: allowance for impairment (C)	-	-	-
Total net (A-C)	0.04	24.60	24.64

As at 31 March 2018

Particulars	At Amortised cost (1)	At cost (subsidiaries, associates, and joint ventures)	Total (3)= (1+2)
a) Equity	-	24.85	24.85
b) Preference shares	-	9.00	9.00
c) Investment in partnership firm	0.04	-	0.04
Total - gross (A)	0.04	33.85	33.89
(i) Investments outside India	-	-	-
(ii) Investment in India	0.04	33.85	33.89
Total (B)	0.04	33.85	33.89
Less: allowance for impairment (C)	-	-	-
Total net (A-C)	0.04	33.85	33.89

As at 1 April 2017 (i.e. 31 March 2017)

Particulars	At Amortised cost (1)	At cost (subsidiaries, associates, and joint ventures)	Total (3)= (1+2)
a) Equity	-	24.85	24.85
b) Preference shares	-	9.00	9.00
c) Investment in partnership firm	0.04	-	0.04
Total - gross (A)	0.04	33.85	33.89
(i) Investments outside India			-
(ii) Investment in India	0.04	33.85	33.89
Total (B)	0.04	33.85	33.89
Less: allowance for impairment (C)	-	-	-
Total net (A-C)	0.04	33.85	33.89

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Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (continued)

(Currency : Rupees in millions)

8.1 Investments

	As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
At amortised cost									
Investments in equity instruments of associate companies (fully paid up) (unquoted)									
Edelweiss Securities and Investment Private Limited *(formerly known as Magnolia Commodities Services Private Limited)*	10	100,000	1.00	10	100,000	1.00	10	100,000	1.00
Styrax Commodities Limited	-	-	-	10	25,000	0.25	10	25,000	0.25
Lichen Metals Private Limited	10	350,000	23.60	10	350,000	23.60	10	350,000	23.60
Investments in preference shares of associate companies (fully paid up) (unquoted)									
Styrax Commodities Limited	-	-	-	10	900,000	9.00	10	900,000	9.00
Investments in partnership firm (refer note 12.1)									
- Capital account			0.04			0.04	-	-	0.04
			24.64			33.89			33.89

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Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

		As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
9	**Current tax assets (net)**			
	Advance income taxes and tax deducted at source	12.46	5.61	2.92
		12.46	5.61	2.92
10	**Deferred tax assets (net)**			
	Deferred tax assets			
	Provision for standard assets - ECL provision	4.94	4.41	3.78
	Unrealised loss on derivatives	0.11	-	-
	MAT credit entitlement	40.13	40.21	55.36
		45.18	44.62	59.14
	Deferred tax liabilities			
	Unrealised gain on derivatives	-	1.50	10.03
	Fair valuation of investments and stock-in-trade	-	-	2.42
		-	1.50	12.45
		45.18	43.12	46.69

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Currency : Rupees in millions)

0.1 Income tax disclosure

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

Particulars	31 March 2019	31 March 2018
Current tax	18.95	7.23
Adjustment in respect of current income tax of prior years	0.21	0.00
Deferred tax relating to origination and reversal of temporary differences	(1.98)	(11.58)
Total tax charge	17.19	(4.34)
Current tax	19.17	7.24
Deferred tax	(1.98)	(11.58)

b) Reconciliation of total tax charge

Particulars	31 March 2019	31 March 2018
Accounting profit before tax as per financial statements	92.91	102.97
Tax rate (in percentage)	30.00%	33.06%
Income tax expense calculated based on this tax rate	27.87	34.05
Adjustment in respect of current income tax of prior years	0.21	0.00
Effect of income not subject to tax:		
Long term capital gain on sale of shares	(0.96)	
Others	(10.60)	(36.16)
Effect of non-deductible expenses:		
Others	0.40	-
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	-	(2.38)
Others*	0.27	0.16
Tax charge for the year recorded in statement of profit and loss	17.19	(4.34)

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

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2018-19)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to statement of profit and loss	Others		
Deferred taxes in relation to:								
Fair valuation of Derivatives	(1.49)	1.61					1.61	0.11
Loans given	4.41	0.53					0.53	4.94
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	40.21	(0.08)					(0.08)	40.13
Total	43.12	2.06	-	-	-	-	2.06	45.18

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2017-18)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to statement of profit and loss	Others		
Deferred taxes in relation to:								
Stock-in-trade	(2.42)	2.42					2.42	-
Fair valuation of Derivatives	(10.03)	8.54					8.54	(1.49)
Loans given	3.78	0.63					0.63	4.41
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	55.36	(15.15)					(15.15)	40.21
Total	46.69	(3.57)	-	-	-	-	(3.57)	43.12

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Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

11 Stock in trade

At fair value through profit and loss	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Particulars			
Debentures	0.31	-	-
Mutual Fund	-	113.90	-
Equity instruments	-	115.45	31.72
Total	**0.31**	**229.35**	**31.72**
Stock in trade in India	0.31	229.35	31.72
Total	**0.31**	**229.35**	**31.72**
Less: Allowance for impairment	-	-	-
Total	0.31	229.35	31.72

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MUMBAI
CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (continued)

(Currency : Rupees in millions)

11.1 Stock in trade *(Continued)*

Details of Stock in trade

		As at 31 March 2019			As at 31 March 2018			As at 01 April 2017		
		Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
A	***Equity shares (quoted)***									
	Avenue Supermarts Limited	-	-	-	-	-	-	10	21,593	13.77
	Shankara Building Products Limited	-	-	-	-	-	-	10	39,017	17.95
	Chambal Fertilizers & Chemicals Limited	-	-	-	10	47,046	7.75	-	-	-
	Finolex Industries Limited	-	-	-	10	7,740	5.11	-	-	-
	Navneet Education Limited	-	-	-	2	31,475	4.49	-	-	-
	TTK Prestige Limited	-	-	-	10	983	6.08	-	-	-
	Kalpataru Power Transmission Limited	-	-	-	2	15,169	7.35	-	-	-
	Monsanto India Limited	-	-	-	10	2,267	6.25	-	-	-
	Aarti Industries Limited	-	-	-	5	3,202	3.67	-	-	-
	Hatsun Agro Product Limited	-	-	-	1	6,905	4.77	-	-	-
	Corporation Bank	-	-	-	2	120,656	3.70	-	-	-
	City Union Bank Limited	-	-	-	1	39,321	6.78	-	-	-
	Apar Industries Limited	-	-	-	10	7,821	5.69	-	-	-
	Minda Industries Limited	-	-	-	2	8,236	8.78	-	-	-
	Gujarat State Petronet Limited	-	-	-	10	34,397	6.52	-	-	-
	Sadbhav Engineering Limited	-	-	-	1	11,111	4.33	-	-	-
	Astral Poly Technik Limited	-	-	-	1	8,905	7.95	-	-	-
	K.P.R. Mill Limited	-	-	-	5	7,522	4.76	-	-	-
	APL Apollo Tubes Limited	-	-	-	10	3,919	7.79	-	-	-
	Narayana Hrudayalaya Ltd.	-	-	-	10	10,424	2.91	-	-	-
	Infibeam Incorporation Limited	-	-	-	10	7,060	1.05	-	-	-
	Thyrocare Technologies Limited	-	-	-	10	5,699	3.40	-	-	-
	Karur Vysya Bank Limited	-	-	-	2	51,729	5.20	-	-	-
	Total Transport Systems Limited	-	-	-	10	24,000	1.12	-	-	-
	ECL Finance Limited NCD	**1,000**	**310**	**0.31**	-	-	-	-	-	-
				0.31			115.45			31.72
B	**Mutual Funds (unquoted)**									
	JM Equity Fund - Monthly Dividend Option	-	-	-	-	9,524,717	113.90	-	-	-
				-			113.90			-
	Grand Total (A+B)			**0.31**			229.35			31.72

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(Currency : Rupees in millions)

		As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
12	**Current investments**			
	Investments in partnership firm			
	Current account	18.53	22.28	15.72
		18.53	22.28	15.72
12.1	**Share of profit / loss in: Edelvalue partners**			
	Total capital: Rs. 0.04 millions (previous year Rs. 0.04 millions)			
	Edelweiss Securities and Investment Private Limited *(formerly known as Magnolia Commodities Services Private Limited)*	**41%**	41%	41%
	Edelweiss Securities Trading and Management Private Limited *(formerly known as Dahlia Commodities Services Private Limited)*	**40%**	40%	40%
	Edelweiss Rural & Corporate Services Limited	**19%**	0%	0%
	EFSL Trading Limited	**0%**	10%	10%
	EFSL Comtrade Limited	**0%**	9%	9%
		100%	100%	100%
13	**Trade receivables**			
	Receivables considered good - Unsecured	-	1.47	0.36
		-	1.47	0.36

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited

(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
14 Cash and cash equivalents			
Balances with banks			
in current accounts	**1.16**	0.58	0.68
	1.16	0.58	0.68

NGS & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements *(Continued)*

(Currency : Rupees in millions)

15 Loans

At amortised cost

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Loans			
Loans repayable on demand	**0.10**	187.60	1,600.00
Inter corporate deposits	**185.00**	185.00	185.00
Accrued interest on loans	**96.70**	67.35	42.27
Total Gross	**281.80**	439.95	1,827.27
Less: Impairment loss allowance	**14.79**	13.20	11.43
Total (Net)	**267.01**	426.75	1,815.84
Unsecured	**281.80**	439.95	1,827.27
Total Gross	**281.80**	439.95	1,827.27
Less: Impairment loss allowance	**14.79**	13.20	11.43
Total (Net)	**267.01**	426.75	1,815.84
Loans in India			
Public Sectors			
Others	**281.80**	439.95	1,827.27
Total Gross	**281.80**	439.95	1,827.27
Less: Impairment loss allowance	**14.79**	13.20	11.43
Total (Net)	**267.01**	426.75	1,815.84

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

16 Derivatives financial instruments

(a) The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

	31 March 2019					
	Notional			Notional		
Particulars	Unit	Notional amount *	Fair value of asset (INR)	Unit	Notional amount *	Fair value of liability (INR)
Interest rate derivatives						
-Futures		0.79	0.01		4.47	0.36
Less: Amount offset (refer note in offsetting disclosure)			(0.01)			(0.36)
Subtotal			-			-
Total Derivative Financial Instruments		-	-		-	-

	31 March 2018					
	Notional			Notional		
Particulars	Unit	Notional amount *	Fair value of asset	Unit	Notional amount *	Fair value of liability
(i)Currency derivatives						
-Currency Futures					0.20	0.01
-Options purchased		8.00	2.67		-	-
Less: Amount offset (refer note in offsetting disclosure)			-			(0.01)
Sub total (i)			2.67			-
(ii)Interest rate derivatives						
-Futures		0.01	0.01			
Less: Amount offset (refer note in offsetting disclosure)			(0.01)			
Subtotal (ii)			-		-	-
(iii) Index linked derivatives						
-Index Futures		0.00	0.03			
Less: Amount offset (refer note in offsetting disclosure)			(0.03)			
Subtotal (iii)			-		-	-
Total Derivative Financial Instruments (i)+(ii)+(iii)		-	2.67		-	-

	01 April 2017 (i.e. 31 March 2017)					
	Notional			Notional		
Particulars	Unit	Notional amount *	Fair value of asset	Unit	Notional amount *	Fair value of liability
(i)Currency derivatives						
-Currency Futures		29.25	30.70			
-Options purchased		1.54	0.49			
-Options sold (written)					1.54	0.41
Less: Amount offset (refer note in offsetting disclosure)			(30.70)			
Sub total (i)			0.49			0.41
(ii)Interest rate derivatives						
-Futures		0.56	0.37		1.38	0.38
Less: Amount offset (refer note in offsetting disclosure)			(0.37)			(0.38)
Subtotal (ii)			-			-
(iii)Credit derivatives						
Equity linked derivatives						
-Stock Futures		0.05	0.02		0.30	0.37
Less: Amount offset (refer note in offsetting disclosure)			(0.02)			(0.37)
Subtotal (iii)			-			-
Total Derivative Financial Instruments		-	0.49		-	0.41

*** Notional amount represents quantity in case of equity and index linked derivatives**

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)
Notes to the financial statements (Continued)

(Currency : Rupees in millions)

16.1 Derivatives financial instruments (Continued)

(b) Offsetting of financial assets and liabilities

Financial assets subject to offsetting 31 March 2019

At 31 March 2019	Offsetting recognised in balance sheet		
Particulars	Gross asset before offset	Amount offset *	Net asset recognised in balance sheet (A)
Derivative financial assets	0.01	0.01	-

Financial liabilities subject to offsetting 31 March 2019

At 31 March 2019	Offsetting recognised in balance sheet		
Particulars	Gross liability before offset	Amount offset *	Net liability recognised in balance sheet (A)
Derivative financial liabilities	0.36	0.36	-

As at the reporting date 31 March 2019, the amount of gross derivative assets and liabilities that has been offset with cash margin is ₹ 0.01 millions and ₹ 0.36 millions respectively.

Financial assets subject to offsetting 31 March 2018

At 31 March 2018	Offsetting recognised in balance sheet		
Particulars	Gross asset before offset	Amount offset *	Net asset recognised in balance sheet (A)
Derivative financial assets	2.72	0.05	2.67

Financial liabilities subject to offsetting 31 March 2018

At 31 March 2018	Offsetting recognised in balance sheet		
Particulars	Gross liability before offset	Amount offset *	Net liability recognised in balance sheet (A)
Derivative financial liabilities	0.01	0.01	-

As at the reporting date 31 March 2018, the amount of gross derivative assets and liabilities that has been offset with cash margin is ₹ 0.05 millions and ₹ 0.01 millions respectively.

Financial assets subject to offsetting 01 April 2017

At 01 April 2017 (i.e. 31 March 2017)	Offsetting recognised in balance sheet		
Particulars	Gross asset before offset	Amount offset *	Net asset recognised in balance sheet (A)
Derivative financial assets	31.59	31.10	0.49

Financial liabilities subject to offsetting 01 April 2017

At 01 April 2017 (i.e. 31 March 2017)	Offsetting recognised in balance sheet		
Particulars	Gross liability before offset	Amount offset *	Net liability recognised in balance sheet (A)
Derivative financial liabilities	1.16	0.75	0.41

As at the reporting date 01 April 2017, the amount of gross derivative assets and liabilities that has been offset with cash margin is ₹ 31.10 millions and ₹ 0.75 millions respectively.

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited

(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
17 Other financial assets			
Unsecured considered good			
Accrued interest on margin	**0.07**	0.14	0.04
Margin placed with brokers	**119.64**	85.02	128.26
Deposits - others	-	0.03	0.03
	119.71	85.19	128.33
18 Current tax assets (net)			
Advance income taxes (net of provision for taxation)	-	6.92	0.05
	-	6.92	0.05
19 Other current assets			
Unsecured considered goood			
Input tax credit	**9.21**	6.75	6.02
Vendor advance*	**0.00**	-	-
	9.21	6.75	6.02

* Rs 0.00 refers to amount less than Rs. 0.01 millions

NGS & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

		As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
20	**Equity share capital**			
	Authorised :			
	20,00,000 (Previous year: 20,00,000) Equity shares of ₹ 10 each	**20.00**	20.00	20.00
		20.00	20.00	20.00
	Issued, Subscribed and Paid up:			
	200,000 (Previous year: 200,000) Equity shares of ₹ 10 each	**2.00**	2.00	2.00
		2.00	2.00	2.00

		31 March 2019		31 March 2018		01 April 2017	
		No.of shares	**Amount**	No of shares	Amount	No of shares	Amount
a.	**Reconciliation of share capital:**						
	Outstanding at the beginning of the year	**200,000**	**2.00**	200,000	2.00	200,000	2.00
	Shares issued during the year	**-**	**-**	-	-	-	-
	Outstanding at the end of the year	**200,000**	**2.00**	200,000	2.00	200,000	2.00

b. Terms/rights attached to equity shares :

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

c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2019		31 March 2018		01 April 2017	
Equity shares of ₹ 10 each fully paid	**%**	**No of shares**	%	No of shares	%	No of shares
Edelweiss Securities Limited	**50%**	**100,000**	50%	100,000	50%	100,000
Edelweiss Securities and Investment Private Limited *(Formerly known as Magnolia Commodities Services Private Limited)*	**50%**	**100,000**	50%	100,000	50%	100,000
	100%	**200,000**	100%	100,000	100%	200,000

		31 March 2019	31 March 2018	01 April 2017
21	**Other equity**			
	Retained earning			
	Opening balance	**363.60**	256.29	256.29
	Add: Profit for the year	**75.72**	107.31	-
		439.32	363.60	256.29

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

		As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
22	**Borrowings**			
	At amortised cost			
	Unsecured			
	Loan from related parties (Repayable on demand, interest rate ranging from 9.30% to 9.50% p.a)	35.47	177.53	304.14
	Inter-corporate deposits (Repayable on demand, interest rate @11% p.a)	-	312.50	1,500.00
		35.47	490.03	1,804.14
23	**Trade payables**			
	Total outstanding dues to creditors other than micro enterprises and small enterprises (refer note 38)	2.70	4.04	0.85
		2.70	4.04	0.85
24	**Other financial liabilities**			
	Nomination deposits - payables	-	0.20	0.20
		-	0.20	0.20
25	**Other current liabilities**			
	Withholding taxes, Goods and service tax and other taxes payable	2.04	4.70	1.63
	Income received in advance	0.96	-	-
		3.00	4.70	1.63
26	**Current tax liabilities (net)**			
	Provision for taxation	15.72	-	17.19
		15.72	-	17.19

NGS & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

		For the year ended 31 March 2019	For the year ended 31 March 2018
27	**Net gain on fair value changes**		
	Profit / (loss) on trading of securities (net)	96.74	(17.61)
	Loss on equity derivative instruments (net)	(30.92)	(34.97)
	Profit on currency derivative instruments (net)	6.31	61.88
	(Loss) / profit on interest rate derivative instruments (net)	(9.73)	5.84
	Profit on sale of long term investment	3.21	-
	Share of profit in partnership firm	10.61	22.28
	Total Net gain on fair value changes	76.22	37.42
	Fair Value Changes:		
	- Realised (loss) / gain	(17.19)	132.01
	- Unrealised gain / (loss)	93.41	(94.59)
	Total Net gain on fair value changes	76.22	37.42
28	**Dividend income**		
	Dividend on stock in trade	37.59	87.01
		37.59	87.01

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MUMBAI

(Currency : Rupees in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
29 Interest income		
On financial assets measured at amortised cost		
Interest on loans	**3.20**	93.39
Interest income on margin with brokers	**4.43**	4.91
Interest income on intercorporate deposits	**33.68**	33.68
Other interest income	**0.64**	0.21
	41.95	132.19

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Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

		For the year ended 31 March 2019	For the year ended 31 March 2018
30	**Other income**		
	Miscellaneous income	**0.10**	-
		0.10	-
31	**Employee benefit expenses**		
	Salaries and wages	**0.50**	0.50
		0.50	0.50

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

(Currency : Rupees in millions)

		For the year ended 31 March 2019	For the year ended 31 March 2018
32	**Finance costs**		
	On financial liabilities measured at amortised cost		
	Interest on inter-corporate deposits	**13.86**	104.29
	Interest on loan	**22.69**	37.30
	Interest on shortfall in payment of advance income tax	**0.78**	-
	Financial and bank charges	-	0.05
	Interest - others*	-	0.00
	Total	**37.33**	141.64

* Rs 0.00 refers to amount less than Rs. 0.01 millions

		For the year ended 31 March 2019	For the year ended 31 March 2018
33	**Impairment loss on financial instruments**		
	On financial assets measured at amortised cost		
	Loan	**1.59**	1.77
	Total	**1.59**	1.77

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Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

	For the year ended 31 March 2019	For the year ended 31 March 2018
34 Other expenses		
Auditors' remuneration (refer note below)	**0.14**	0.10
Clearing and custodian charges	**0.24**	0.30
Contribution towards corporate social responsibility	**0.10**	0.10
Legal and professional fees	**12.69**	0.07
Shared staff cost	**4.93**	6.79
Printing and stationery*	**0.00**	-
Rates and taxes*	**0.00**	0.00
Security transaction tax	**3.97**	1.67
Goods and service tax expenses	**1.36**	0.75
Stamp duty	**0.08**	0.05
Stock exchange expenses	**0.06**	0.01
Transportation charges	**(0.02)**	0.01
Travelling and conveyance	**-**	0.03
Warehousing charges*	**0.02**	0.00
Miscellaneous expenses*	**0.00**	-
	23.57	9.88
Auditors' remuneration:		
As auditor	**0.14**	0.10
	0.14	0.10

* Rs 0.00 refers to amount less than Rs. 0.01 millions

NGS & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (continued)

(Currency : Rupees in millions)

35 Segment reporting

The primary business of the Company is capital based business comprising of trading and investment activities. Accordingly, there is no separate reportable segment and hence, no disclosure is made under Indian Accounting Standard 108 – Operating Segment Reporting. Further, segmentation based on geography has not been presented as the Company operates only in India.

36 Related parties disclosure in accordance with Ind AS 24:

i. List of related parties and relationship:

Name of related parties by whom control is exercised	Edelweiss Financial Services Limited Edelweiss Securities Limited
Name of related parties over whom control is exercised	Edelvalue Partners (Partnership firm) Styrax Commodities Limited
Associates (with whom transactions have taken place)	Edelweiss Securities And Investments Private Limited (Formerly Magnolia Commodities Services Private Limited) Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) Edelweiss Custodial Services Limited Edelweiss Broking Limited EC Commodity Limited Edel Investments Limited EFSL Trading Limited (now merged with Edelweiss Rural & Corporate Services Limited) Edelweiss Global Wealth Management Limited Edelweiss Business Servies Limited (now merged with Edelweiss Rural & Corporate Services Limited) ECap Equities Limited Edelgive Foundation Lichen Metals Private Limited Edelweiss Custodial Services Limited

ii. Transactions with related parties

Sr. no.	Nature of transaction	Related party name	For the year ended 31 March 2019	For the year ended 31 March 2018
	Capital account transactions			
1	Short term loans given to (refer note below)	Edelweiss Securities And Investments Private Limited	-	187.60
2	Short term loans repaid by (refer note below)	Edelweiss Securities And Investments Private Limited	187.50	-
3	Short term loans taken from (refer note below)	Edelweiss Rural & Corporate Services Limited	5,881.41	4,042.72
4	Short term loans repaid to (refer note below)	Edelweiss Rural & Corporate Services Limited	6,023.71	4,152.08
5	Margins placed with broker (refer note below)	Edelweiss Securities Limited	0.12	104.05
		Edelweiss Custodial Services Limited	524.64	124.43
		Edelweiss Broking Limited	0.01	-
6	Margins withdrawn from broker (refer note below)	Edelweiss Securities Limited	1.59	140.35
		Edelweiss Custodial Services Limited	559.68	130.27
	Current account transactions			
7	Share of profit in partnership firm	Edelvalue Partners	10.61	22.36
8	Interest expense on loan taken from	Edelweiss Rural & Corporate Services Limited	22.69	37.30
9	Interest expense on Inter corporate deposits	Edelweiss Rural & Corporate Services Limited	13.86	104.29
10	Purchase of commodities from	Styrax Commodities Limited	176.84	-

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

(Currency : Rupees in millions)

Transactions with related parties (continued)

Sr. no.	Nature of transaction	Related party name	For the year ended 31 March 2019	For the year ended 31 March 2018
11	Sale of commodities	Edelweiss Rural & Corporate Services Limited	176.88	392.60
12	Redemption of investments in preference shares	Styrax Commodities Limited	9.00	-
13	Sale of investments in equity shares	Styrax Commodities Limited	0.25	-
14	Interest income on loan	Edelweiss Securities And Investments Private Limited	3.20	1.03
		Edel Investments Limited	-	57.16
		EFSL Trading Limited	-	24.27
		Edelweiss Global Wealth Management Limited	-	10.93
15	Interest received on margin placed with brokers	Edelweiss Custodial Services Limited	4.39	4.88
		Edelweiss Securities Limited	0.04	0.03
16	Enterprise billing charges	Edelweiss Rural & Corporate Services Limited	4.93	6.79
17	Legal & professional fees paid to	Edel Investments Limited	12.50	-
18	Cost reimbursements paid to	ECap Equities Limited	0.50	0.50
		Edelweiss Securities Limited*	-	0.00
19	Brokerage paid to	Edelweiss Securities Limited	0.64	0.98
		Edelweiss Broking Limited	0.63	-
20	Clearing charges paid to	Edelweiss Custodial Services Limited	0.20	-
21	Donation paid to	Edelgive Foundation	0.10	0.10
22	Warehousing charges paid to	Edelweiss Rural & Corporate Services Limited	0.02	-
	Balances with related parties			
23	Short term loan taken from	Edelweiss Rural & Corporate Services Limited	34.99	177.29
24	Trade payable to	Edelweiss Rural & Corporate Services Limited	1.90	-
		Edel Investments Limited	0.23	-
		Edelweiss Securities Limited*	0.00	-
25	Interest payable on loan taken from	Edelweiss Rural & Corporate Services Limited	0.48	0.25
26	Short term loan given to	Edelweiss Securities And Investments Private Limited	0.10	187.60
27	Interest receivable on loan given to	Edelweiss Securities And Investments Private Limited	3.20	0.92
28	Investments in equity shares of	Edelweiss Securities And Investments Private Limited	1.00	1.00
		Styrax Commodities Limited	-	0.25
		Lichen Metals Private Limited	23.60	23.60
29	Investments in preference shares of	Styrax Commodities Limited	-	9.00
30	Investments in partnership firm	Edelvalue Partners	0.04	0.04
31	Partner's current account - receivable from	Edelvalue Partners	18.53	22.36
32	Trade receivables from	Edelweiss Securities Limited	-	1.47
33	Margins placed with broker	Edelweiss Broking Limited	69.65	-
34	Accrued interest on margin	Edelweiss Custodial Services Limited	0.07	0.14
		Edelweiss Securities Limited*	-	0.00
		Edelweiss Broking Limited	0.01	-
35	Accrued interest on loans given to	Edelweiss Securities And Investments Private Limited*	0.00	-

* Rs 0.00 refers to amount less than Rs. 0.01 millions

Note 1 : Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting year.

Note 2: Disclosure under section 186(4)of the Companies Act, 2013 for loans and guarantee : Loans have been given for general business purpose.

Note 3 :Edel Commodities Limited and EFSL Trading Limited was merged into EFSL Comtrade Limited vide Order of National Company Law Tribunal at Hyderabad. Further With effect from the Appointed Date i.e. 01 August 2018, EFSL Comtrade Limited, Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, Edelweiss Capital Markets Limited and Edelweiss Fund Advisors Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd). Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the merged companies are considered to be transacted with Edelweiss Rural & Corporate Services Limited and disclosed accordingly.

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

(Currency : Rupees in millions)

37 *Earnings per share*

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

	Particulars	**For the year ended 31 March 2019**	For the year ended 31 March 2018
(a)	Profit after tax (as per statement of profit and loss)	**75.72**	107.31
	Less: Dividend on preference share capital	-	-
	Net profit for the year attributable to equity shareholders	**75.72**	107.31
(b)	Calculation of weighted average number of equity shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	**2,00,000**	2,00,000
	Number of shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	**2,00,000**	2,00,000
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	**2,00,000**	2,00,000
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	**378.57**	536.56

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

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(Currency : Rupees in millions)

38 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.

39 Capital commitments and contingent liabilities

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

40 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).

41 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. 2.36 millions.

b) Amount spent during the current 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	0.10	Nil	0.10

The Company is a fellow 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. 225.19 millions (Previous year: Rs. 177.84 millions) (representing more than 2% of the consolidated profit of the group) was spent towards CSR activities during the year ended 31 March 2019, the Company has not incurred the prescribed CSR expenditure on a standalone basis during the year ended 31 March 2019.

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

42 Credit risk management

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit impaired financial assets). Expected Credit Loss (ECL) computation is not driven by any single methodology, however methodology and approach used must reflect the following:

- An unbiased and probability weighted amount that evaluates a range of possible outcomes;
- Reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions;
- The time value of money.

While the time value of money element is currently being factored into ECL measurement while discounting cash flows by the Effective Interest Rate (EIR), the objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the first two requirements. This will be achieved by using the model output to adjust the probability of default (PD) risk component in order to make it forward looking and probability-weighted.

Significant increase in credit risk (SICR)

Group considers a financial instrument defaulted, classified as Stage 3 (credit-impaired) for ECL calculations, in all cases when the borrower becomes 90 days past due. Classification of assets form stage 1 to stage 2 has been carried out based on SICR criterion. Accounts which are more than 30 days past due have been identified as accounts where significant increase in credit risk has been observed. These accounts have been classified as Stage 2 assets. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikeliness to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted and therefore assessed as Stage 3 for ECL calculations or whether Stage 2 is appropriate.

Probability of Default

Historical DPD data is used to calculate historic default rates for each portfolio. This is done by using transition matrix which are calculated by assessing the transition from the one DPD state to the default DPD state 12 months from the cohort date.

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Loss Given Default (LGD)

The LGD represents expected losses on the Exposure at default (EAD) given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money. The Loss Given Default (LGD) has been computed with workout methodology. Workout LGD is widely considered to be the most flexible, transparent and logical approach to build an LGD model. Along with actual recoveries, value of the underlying collateral has been factored in to estimate future recoveries in LGD computation. Workout LGD computation involves the actual recoveries as well as future recoveries (as a part of the workout process) on a particular facility, as a percentage of balance outstanding at the time of Default/Restructuring. The assessment of workout LGD was then performed. Principal outstanding at NPA was assessed, which went into the denominator of the LGD calculation. LGD computation has been done for each segment and sub-segment separately.

Exposure at Default (EAD)

The amount which the borrower will owe to the portfolio at the time of default is defined as Exposure at Default (EAD). While the drawn credit line reflects the explicit exposure for the Group, there might be variable exposure that may increase the EAD. These exposures are of the nature where the Group provides future commitments, in addition to the current credit. Therefore, the exposure will contain both on and off balance sheet values. The value of exposure is given by the following formula:

EAD = Drawn Credit Line + Credit Conversion Factor * Undrawn Credit Line

Where,

Drawn Credit Line = Current outstanding amount

Credit Conversion Factor (CCF) = Expected future drawdown as a proportion of undrawn amount Undrawn Credit Line = Difference between the total amount which the Group has committed and the drawn credit line While the drawn exposure and limits for the customer are available, the modelling of CCF is required for computing the EAD.

Purchased or originated credit impaired (POCI)

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI. This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty, that otherwise would not have been considered.

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CHARTERED ACCOUNTANTS

Forward looking adjustments

"A measure of ECL is an unbiased probability-weighted amount that is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions."

To fulfil the above requirement Company has incorporated forward looking information into its measurement of ECL. The objective of developing a macroeconomic model using exogenous macroeconomic variables (MEVs) is to address the requirements of unbiased, probability weighted outcomes while taking into account current conditions as well as future economic conditions. This will be achieved by using the model output to adjust the PD risk component in order to make it forward looking and probability-weighted.

Exogenous macroeconomic parameters were used as independent (X) variables to predict the dependent (Y) variable. Keeping in mind Ind AS requirements around obtaining reliable and supportable information, without incurring undue cost or effort- based on advice of risk committee members and economic experts and consideration of a variety of external actual and forecast information, the Company formulates base case view of the future direction of relevant economic variable as well as a representative range of other possible forecast scenario. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome.

Data sourcing: External information includes economic data and forecasts published by governmental bodies and monetary authorities in the country, supranational organisations such as the OECD and the IMF, and selected private sector and academic forecasters. Macroeconomic information was aggregated from Economic Intelligence Unit (EIU), Bloomberg, World Bank, RBI database. The EIU data has a database of around 150 macroeconomic variables as well as their forecasted values. Beyond 2022 macro-economic variables are forecasted by mean reverting the values to their long term average.

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(Currency : Rupees in millions)

Probability weighted scenario creations: To incorporate macroeconomic impact into probability-weighted, each scenario has an associated probability. In order to ensure consistency across macroeconomic models, these probabilities were calculated at an overall level for both Retail and Non-Retail portfolios, keeping in mind that though the impact of a scenario across different portfolios may differ based on endogenous factors, the probability of a scenario unfolding is purely exogenous, and hence should not vary.

The group has identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and using an analysis of historical data, has estimated relationship between marco-economic variables and credit risk and credit losses.

The economic parameters scenarios used included the following range of key indicators for future 2 years:

Key Economic Parameter	Base FY +1	Base FY +2
Debt-to-GDP ratio:	18.3-18.7%	18.7-19.2%
Total factor productivity	4-4.5	4.4-5.0
Labor productivity growth:	5.1-5.5%	5.5-6.3%
Unemployment rate	8.5-8.8%	8.5-8.8%
Gross Domestic Product	7.0-7.5%	7.5-8.0%

Apart from the above significant economic parameters, the Company has also identified and used few other economic parameter to build up the forward looking scenarios. These indicators include inflation, forecasted growth in real estate sector, expectation of industry performance, collateral coverage movement, conduct of accounts and expectation of market liquidity.

Above explained indicators have supported in measurement of ECL, and behaviours of such indicators will suitably support going forward in measurement of forward looking scenarios.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past 5 years.

Predicted relationship between the key indicators and default and loss rates on various portfolios of financial assess have been developed based on analysing historical data over the past 5 years.

Fair valuation technique:
Loans measured at fair value through profit or loss
Loans are segregated, as far as possible, into portfolios of similar characteristics. Fair values are based on observable market transactions, when available. When they are unavailable, fair values are estimated using valuation models incorporating range of input assumptions. Company has determine fair value with help of internal valuation team and independent valuer on case to case basis. Valuation is based on discounted cash flow, comparable transaction market price, market research and marked trend as considered appropriate.

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Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements *(Continued)*

(Currency : Rupees in millions)

42.1 Credit risk management

Gross carrying amount of loan assets allocated to Stage I, Stage II, Stage III

	31-Mar-19				31-Mar-18				1-Apr-17			
Particulars	**Stage I**	**Stage II**	**Stage III**	**Total**	**Stage I**	**Stage II**	**Stage III**	**Total**	**Stage I**	**Stage II**	**Stage III**	**Total**
Loans (at amortised cost)												
Performing												
High grade	0.10	-	-	0.10	187.60	-	-	187.60	1,600.00	-	-	1,600.00
Substandard grade	-	281.70	-	281.70	-	252.35	-	252.35	-	227.27	-	227.27
Total	**0.10**	**281.70**	**-**	**281.80**	**187.60**	**252.35**	**-**	**439.95**	**1,600.00**	**227.27**	**-**	**1,827.27**

Reconciliation of changes in gross carrying amount of loan assets and allowances for expected credit loss :

Particulars	**Non-credit impaired**				**Total**	
	Stage I		**Stage II**			
	Gross carrying amount	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**
As at 01 April 2017	**1,600.00**	**-**	**227.27**	11.43	**1,827.27**	**11.43**
Net new and further lending/ (repayments)	(1,412.40)	-	25.08	1.77	(1,387.32)	1.77
As at 31 March 2018	**187.60**	**-**	**252.35**	**13.20**	**439.95**	**13.20**

Particulars	**Non-credit impaired**				**Total**	
	Stage I		**Stage II**			
	Gross carrying amount	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**	**Gross carrying amount**	**Allowance for ECL**
As at 01 April 2018	187.60	-	252.35	13.20	439.95	13.20
Net new and further lending/ repayments	(187.50)	-	29.35	1.59	(158.15)	1.59
As at 31 March 2019	**0.10**	**-**	**281.70**	**14.79**	**281.80**	**14.79**

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

(Currency : Rupees in millions)

43 Contractual Maturity Analysis

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its trade payables earlier than expected.
Refer Note 36 on maturity analysis of assets and liabilities.

A. Analysis of non-derivative financial liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial liabilities as at 31 March.
Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at 31 March 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Total
Trade payables	-	-	-	-	2.70	-	-	-	2.70
Borrowings (other than debt securities)	35.47	-	-	-	-	-	-	-	35.47
Total undiscounted non-derivative financial liabilities	35.47	-	-	-	2.70	-	-	-	38.17

As at 31 March 2018	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Total
Trade payables	-	-	-	-	4.04	-	-	-	4.04
Borrowings (other than debt securities)	177.53	-	-	-	-	-	-	-	177.53
Deposits	312.50	-	-	-	-	-	-	-	312.50
Other financial liabilities	-	-	-	-	0.20	-	-	-	0.20
Total undiscounted non-derivative financial liabilities	490.03	-	-	-	4.24	-	-	-	494.27

As at 1 April 2017 (i.e. 31-Mar-2017)	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Total
Trade payables	-	-	-	-	0.85	-	-	-	0.85
Borrowings (other than debt securities)	304.14	-	-	-	-	-	-	-	304.14
Deposits	1,500.00	-	-	-	-	-	-	-	1,500.00
Other financial liabilities	-	-	-	-	0.20	-	-	-	0.20
(a) Derivative financial instruments	-	0.41	-	-	-	-	-	-	0.41
Total undiscounted non-derivative financial liabilities	1,804.14	0.41	-	-	1.05	-	-	-	1,805.60

B. Analysis of non-derivative financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial assets as at 31 March.

As at 31 March 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Total
Cash and cash equivalent and other bank balances	1.16	-	-	-	-	-	-	-	1.16
Stock-in-trade	-	-	-	-	-	0.31	-	-	0.31
Loans-Others	0.10	-	-	-	-	-	266.91	-	267.01
Investments at amortised cost	-	-	-	-	-	-	18.53	0.04	18.57
Other financial assets	-	-	120.05	-	-	-	-	-	120.05
Total	1.26	-	120.05	-	-	0.31	285.45	0.04	407.10

As at 31 March 2018	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Total
Cash and cash equivalent and other bank balances	0.58	-	-	-	-	-	-	-	0.58
Stock-in-trade	-	-	-	-	-	229.35	-	-	229.35
Trade receivables	-	-	-	1.47	-	-	-	-	1.47
Loans-others	188.52	-	-	-	-	-	238.23	-	426.75
Investments at amortised cost	-	-	-	-	-	-	31.28	0.04	31.32
Other financial assets	-	-	85.18	-	-	-	-	-	85.18
Total	189.10	-	85.18	1.47	-	229.35	269.51	0.04	774.65

As at 01 April 2017 (i.e. 31-Mar-2017)	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Total
Cash and cash equivalent and other bank balances	0.68	-	-	-	-	-	-	-	0.68
Stock-in-trade	-	-	-	-	-	31.72	-	-	31.72
Trade receivables	-	-	-	0.36	-	-	-	-	0.36
Loans	1,609.53	-	-	-	-	-	206.32	-	1,815.84
Investments at amortised cost	-	-	-	-	-	-	24.72	0.04	24.76
Other financial assets	-	-	158.68	-	-	-	-	-	158.68
Total	1,610.21	-	158.68	0.36	-	31.72	231.03	0.04	2,032.04

C. Maturity analysis for derivatives:

All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

As at 31 March 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Total
Net settled derivatives entered into for trading purposes	-	-	(0.34)	-	-	-	-	-	(0.34)
Total	-	-	(0.34)	-	-	-	-	-	(0.34)

As at 31 March 2018	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Total
Net settled derivatives entered into for trading purposes	-	-	0.03	-	-	-	-	-	0.03
Total	-	-	0.03	-	-	-	-	-	0.03

As at 01 April 2017 (i.e. 31-Mar-2017)	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	Total
Net settled derivatives entered into for trading purposes	-	-	30.35	-	-	-	-	-	30.35
Total	-	-	30.35	-	-	-	-	-	30.35

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Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency : Rupees in millions)

44 Fair value hierarchy

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

Particulars	31 March 2019 Level 1
Assets measured at fair value on a recurring basis	
Derivative financial instruments (assets):	
Exchange-traded derivatives	0.01
Total derivative financial instruments (assets)	**0.01**
Stock-in-trade	
Other debt securities and preference shares	0.31
Total stock-in-trade	**0.31**
Total financial assets measured at fair value on a recurring basis	**0.32**

Particulars	31 March 2019 Level 1
Liabilities measured at fair value on a recurring basis -	
Derivative financial instruments (Liabilities):	
Exchange-traded derivatives	0.36
Total derivative financial instruments (liabilities)	**0.36**
Total financial liabilities measured at fair value on a recurring basis	**0.36**

Particulars	31 March 2018 Level 1
Assets measured at fair value on a recurring basis	
Derivative financial instruments (assets):	
Exchange-traded derivatives	2.71
Total derivative financial instruments (assets)	**2.71**
Stock-in-trade	
Mutual fund units	113.90
Equity instruments	115.45
Total stock-in-trade	**229.35**
Total financial assets measured at fair value on a recurring basis	**232.06**

Particulars	31 March 2018 Level 1
Liabilities measured at fair value on a recurring basis -	
Derivative financial instruments (Liabilities):	
Exchange-traded derivatives	0.01
Total derivative financial instruments (liabilities)	**0.01**
Total financial liabilities measured at fair value on a recurring basis	**0.01**

Particulars	1 April 2017 Level 1
Assets measured at fair value on a recurring basis	
Derivative financial instruments (assets):	
Exchange-traded derivatives	31.59
Total derivative financial instruments (assets)	**31.59**
Stock-in-trade	
Equity instruments	31.72
Total stock-in-trade	**31.72**
Total investments measured at fair value	-
Total financial assets measured at fair value on a recurring basis	**63.31**

Particulars	1 April 2017 Level 1
Liabilities measured at fair value on a recurring basis -	
Derivative financial instruments (Liabilities):	
Exchange-traded derivatives	1.16
Total derivative financial instruments (liabilities)	**1.16**
Total financial liabilities measured at fair value on a recurring basis	**1.16**

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Fair valuation techniques:

(i) **Equity instruments and units of Alternative Investment Funds**

The majority of equity instruments are actively traded on recognized stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such NAV Such instruments are generally Level 3. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.

(ii) **Derivatives**

The Company enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are exchange traded futures and options contracts. The most frequently applied valuation techniques include quoted price for exchange traded derivatives and Black Scholes models (for option valuation).

(Currency : Rupees in millions)

45 Total market risk exposure

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non–trading positions are managed and monitored using other sensitivity analyses.

	31 March 2019			31 March 2018			01 April 2017 (i.e. 31 March 2017)		
Particulars	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Carrying amount**	**Traded risk**	**Non-traded risk**
Assets									
Cash and cash equivalent and other bank balances	1.16	-	1.16	0.58	-	0.58	0.68	-	0.68
Derivative financial instruments	-	-	-	2.67	2.67	-	0.49	0.49	-
Stock-in-trade	0.31	0.31	-	229.35	229.35	-	31.72	31.72	-
Loans	267.01	-	267.01	426.75	-	426.75	1,815.84	-	1,815.84
Trade receivables	-	-	-	1.47	-	1.47	0.36	-	0.36
Other financial assets	119.71	119.71	-	85.18	85.15	0.03	128.33	128.30	0.03
Financial investments	43.17	-	43.17	56.17	-	56.17	49.60	-	49.60
Total	**431.36**	**120.02**	**311.34**	**802.17**	**317.17**	**485.00**	**2,027.02**	**160.51**	**1,866.51**
Liability									
Borrowings (other than Debt Securities)	35.47	-	35.47	177.53	-	177.53	304.14	-	304.14
Derivative financial instruments	-	-	-	-	-	-	0.41	0.41	-
Deposits	-	-	-	312.50	-	312.50	1,500.00	-	1,500.00
Trade payables	2.70	-	2.70	4.04	-	4.04	0.85	-	0.85
Other liabilities	-	-	-	0.20	-	0.20	0.20	-	0.20
Total	**38.17**	**-**	**38.17**	**494.27**	**-**	**494.27**	**1,805.60**	**0.41**	**1,805.19**

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(Currency : Rupees in millions)

46 Market risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.
The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss and equity.

	2018-19					
Currency of borrowing / advances	**Increase in IRF price (%)**	**Effect on profit before tax**	**Effect on Equity**	**Decrease in basis points**	**Effect on profit before tax**	**Effect on Equity**
INR	5	(26.08)	-	25	26.08	-

	2017-18					
Currency of borrowing / advances	**Increase in IRF price (%)**	**Effect on profit before tax**	**Effect on Equity**	**Decrease in basis points**	**Effect on profit before tax**	**Effect on Equity**
INR	5	0.03	-	25	(0.03)	-

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings.

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non–trading monetary assets and liabilities) and equity (due to the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges).

	2018-19					
Currency	**Increase in currency rate (%)**	**Effect on profit before tax**	**Effect on Equity**	**Decrease in currency rate (%)**	**Effect on profit before tax**	**Effect on Equity**
INR	5	-	-	5	-	-

	2017-18					
Currency	**Increase in currency rate (%)**	**Effect on profit before tax**	**Effect on Equity**	**Decrease in currency rate (%)**	**Effect on profit before tax**	**Effect on Equity**
INR	5	(0.52)	-	5	0.52	-

(iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.

	2018-19					
Impact on	**Increase in equity price (%)**	**Effect on profit before tax**	**Effect on Equity**	**Decrease in equity price (%)**	**Effect on profit before tax**	**Effect on Equity**
Derivatives	5	-	-	5	-	-
Others	5	-	-	5	-	-

	2017-18					
Impact on	**Increase in equity price (%)**	**Effect on profit before tax**	**Effect on Equity**	**Decrease in equity price (%)**	**Effect on profit before tax**	**Effect on Equity**
Derivatives	5	(2.28)	-	5	2.28	-
Others (Equity)	5	5.77	-	5	(5.77)	-
Others (MF)	5	5.70	-	5	(5.70)	-

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CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited

(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements *(Continued)*

(Currency : Rupees in millions)

47 Change in liabilities arising from financing activities

Particulars	01 April 2018	Cash flows	Others	31 March 2019
Borrowings other than debt securities	177.53	(142.30)	0.23	35.47
Deposits	312.50	(312.50)	-	-
Total liabilities from financing activities	490.03	(454.80)	0.23	35.47

Particulars	01 April 2017	Cash flows	Others	31 March 2018
Borrowings other than debt securities	304.14	(109.36)	(17.25)	177.53
Deposits	1,500.00	(1,187.50)	-	312.50
Total liabilities from financing activities	1,804.14	(1,296.86)	(17.25)	490.03

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MUMBAI
CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements *(Continued)*

(Currency : Rupees in millions)

48 Disclosure related to collateral

Following table sets out availability of Company financial assets to support funding

31 March 2019	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	1.16	1.16
Stock in trade	-	-	0.31	-	0.31
Loans	-	-	267.01	-	267.01
Investments	-	-	43.17	-	43.17
Other financial assets	119.71	-	-	-	119.71
Other non financial assets	-	-	-	9.21	9.21
Total assets	**119.71**		**310.49**	**10.37**	440.57

31 March 2018	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	0.58	0.58
Stock in trade	-	-	229.35	-	229.35
Trade receivables	-	-	1.47	-	1.47
Derivative assets	-	-	2.67	-	2.67
Loans	-	-	426.75	-	426.75
Investments	-	-	56.17	-	56.17
Other financial assets	85.18	-	-	-	85.18
Other non financial assets	-	-	-	6.75	6.75
Total assets	**85.18**		**716.41**	**7.33**	809.92

01 April 2017	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	0.68	0.68
Stock in trade	-	-	31.72	-	31.72
Trade receivables	-	-	0.36	-	0.36
Derivative assets	-	-	0.49	-	0.49
Loans	-	-	1,815.84	-	1,815.84
Investments	-	-	49.60	-	49.60
Other financial assets	128.33	-	-	-	128.33
Other non financial assets	-	-	-	6.02	6.02
Total assets	**128.33**	-	**1,898.01**	**6.70**	2,033.04

1 Represents assets which are not pledged and Company believes it is restricted from using to secure funding for legal or other reason

2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business

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Edelweiss Securities Trading and Management Private Limited

(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements *(Continued)*

(Currency : Rupees in millions)

49 Approach to capital management

Company objectives when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Total Debt	35.47	490.03	1,804.14
Equity	441.32	365.60	258.29
Net Debt to Equity	**0.08**	**1.34**	**6.98**

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements *(Continued)*

(Currency : Rupees in millions)

50 Analysis of risk concentration

Industry analysis - Risk concentration for 31 March 2019

Particulars	Financial services	Consumers	Retail and wholesale	Construction	Services	Total
Financial assets						
Cash and cash equivalent and other bank balances	1.16	-	-	-	-	1.16
Stock in trade	0.31	-	-	-	-	0.31
Financial assets - Amortised cost	43.17	-	-	-	-	43.17
Other financial assets	119.71	-	-	-	-	119.71
Loans	0.10	-	-	266.90	-	267.01
	164.45	-	-	266.90	-	431.36
Other Commitments	-	-	-	-	-	-
Total	**164.45**	-	-	**266.90**	-	**431.36**

Industry analysis - Risk concentration for 31 March 2018

Particulars	Financial services	Consumers	Retail and wholesale	Construction	Services	Total
Financial assets						
Cash and cash equivalent and other bank balances	0.58	-	-	-	-	0.58
Derivative financial instruments	2.67	-	-	-	-	2.67
Stock in trade	113.90	53.60	25.58	12.11	24.15	229.35
Financial assets - Amortised cost	56.17	-	-	-	-	56.17
Trade and other receivables	1.47	-	-	-	-	1.47
Other financial assets	85.18	-	-	-	-	85.18
Loans	188.52	-	-	238.23	-	426.75
	448.49	53.60	25.58	250.34	24.15	802.17
Other Commitments	-	-	-	-	-	-
Total	**448.49**	**53.60**	**25.58**	**250.34**	**24.15**	**802.17**

Industry analysis - Risk concentration for 01 April 2017 (i.e. 31 March 2017)

Particulars	Financial services	Consumers	Retail and wholesale	Construction	Services	Total
Financial assets						
Cash and cash equivalent and other bank balances	0.68	-	-	-	-	0.68
Derivative financial instruments	0.49	-	-	-	-	0.49
Stock in trade	-	-	13.77	17.95	-	31.72
Financial assets - Amortised cost	49.60	-	-	-	-	49.60
Trade and other receivables	0.36	-	-	-	-	0.36
Other financial assets	128.33	-	-	-	-	128.33
Loans	1,609.53	-	-	206.31	-	1,815.84
	1,788.99	-	13.77	224.26	-	2,027.02
Other Commitments	-	-	-	-	-	-
Total	**1,788.99**	-	**13.77**	**224.26**	-	**2,027.02**

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

(Currency : Rupees in millions)

51 Reconciliation of total comprehensive income for the year ended 31 March 2018:

Particulars	Year Ended 31 March 2018
Net profit after tax as reported under Indian GAAP	104.90
Expected credit loss provision	(1.77)
Fair valuation of assets and liabilities	5.46
Tax effect on above adjustments	(1.28)
Net profit as per Ind AS	**107.31**
Other Comprehensive Income after tax as per Ind AS	-
Total Comprehensive Income as per Ind AS	**107.31**

Reconcilliation of total equity as at 31 March 2018 and 01 April 2017

	As at 31 March 2018	As at 1 April 2017
Total Equity / Shareholders' Funds as per Previous GAAP	365.95	261.05
Adjustments:		
Fair valuation of stock-in-trade and current investments	12.77	7.32
Expected credit loss allowance on loans	(13.20)	(11.43)
Tax adjustment on above items	0.08	1.35
Total adjustment to Equity	**(0.35)**	**(2.76)**
Total Equity / Shareholders' Funds as per Ind AS	**365.60**	**258.29**

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MUMBAI
CHARTERED ACCOUNTANTS

52 First-time adoption – mandatory exceptions, optional exemptions

Overall principle:

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

Derecognition of financial assets and financial liabilities:

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

Impairment of financial assets:

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Accounting estimates:

The Company's estimates in accordance with Ind AS at the transition date are consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). The same applies to the comparative period presented.

Past business combinations:

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

Edelweiss Securities Trading and Management Private Limited
(Formerly known as Dahlia Commodities Services Private Limited)

Notes to the financial statements *(continued)*

(Currency : Rupees in millions)

53 Prior period comparatives

Previous year figures have been regrouped and rearranged wherever necessary.

As per our report of even date attached.

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

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

R. P. Soni
Partner
Membership No. : 104796

Mumbai
10 May 2019

For and on behalf of the Board of Directors

Manjeet Bijlani
Director
DIN: 06714231

Mumbai
10 May 2019

Shree Kumar Nair
Director
DIN: 05345277

Mumbai
10 May 2019