

Independent Auditors' Report

To the Members of Edelweiss Broking Limited Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Edelweiss Broking Limited** ("the Company"), which comprise the Balance sheet as at March 31 2020, 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, 2020, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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



Management's Responsibilities for the Ind AS Financial Statements

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

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

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

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

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

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

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



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

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

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

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

Other Matter

The comparative Ind AS financial statements of the Company for the year ended March 31, 2019, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor, who issued unmodified opinion on those financial statements on May 8, 2019.

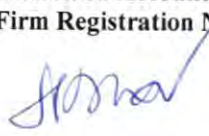
Report on Other Legal and Regulatory Requirements

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;



- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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 has disclosed the impact of pending litigations on its financial position in financial statement-as per Note No. 35 of the Financial Statement
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company-.
3. In our opinion, proper books of accounts and records as specified in Rule 15 of the Securities Contract (Regulation) Rules, 1957 have been kept by the Company in so far as it appears from examination of such books.
4. The Company has complied with the requirements of BSE Limited ('BESL'), the National Stock Exchange of India Limited ('NSEIL') and MCX Stock Exchange ('MCX SX') in so far as they relate to maintenance of accounts and to the best of our knowledge and belief, was regular in submitting the required accounting information to the respective stock exchanges.
5. The Company has complied with the requirements of the derivatives segment of the BSE and NSEIL in so far as they relates to maintenance of accounts and to the best of our knowledge and belief, was regular in submitting the required accounting information to the depravities segment of the exchange.

For GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W


Haridas Bhat
Partner
Membership No.:39070



UDIN: 20039070AAAAER5043

Place: Mumbai
Date: June 25, 2020

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Broking Limited ('the Company') on the financial statements for the year ended 31 March 2020, we report that:

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants in respect of securities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, sales tax, value added 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 duty of excise and duty of custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, value added tax, service tax, goods and service tax and cess were in arrears as at March 31, 2020 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 sales tax, value added tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The dues outstanding in respect of income-tax and service tax on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	643,824	A.Y.2011-12	CIT (A)
Finance Act, 1994	Service Tax	86,04,342	April 2004 to March 2008	CESTAT - Ahmedabad
Finance Act, 1994	Service Tax	5,87,926	F.Y. 2010-11	CESTAT - Ahmedabad



Finance Act, 1994	Service Tax	65,467	F.Y. 2011-12	CESTAT – Ahmedabad
Finance Act, 1994	Service Tax	5,91,125	F.Y. 2010-11	CESTAT – Ahmedabad

- (viii) In our opinion, and according to information and explanations given to us, the Company has not defaulted in repayment of dues to its bank. Further, the Company does not have any loans or borrowings from any financial institution, government and debenture holders.
- (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 by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W

Haridas Bhat
Partner
Membership No.: 39070



UDIN: 20039070AAAAER5043

Place: Mumbai
Date: June 25, 2020

Annexure B to the Auditors' Report

Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Broking 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 Broking Limited ("the Company")** as of March 31, 2020 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W


Haridas Bhat
Partner
Membership No.: 39070



UDIN: 20039070AAAAER5043

Place: Mumbai
Date: June 25, 2020

Edelweiss Broking Limited

Financial Statements

together with Auditors' Report

for the year ended March 31, 2020

Edelweiss Broking Limited

Financial statements together with Auditors' Report *for the year ended March 31, 2020*

(Currency: Indian rupees in millions)

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Edelweiss Broking Limited

Balance Sheet

(Currency : Indian rupees in millions)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
(a) Cash and cash equivalents	2	1,370.72	229.67
(b) Bank balances other than cash and cash equivalents	3	1,493.78	4,211.66
(c) Stock in trade *	4	0.00	0.00
(d) Trade receivables	5	1,205.13	3,596.47
(e) Loans	6	21.14	11.11
(f) Investments	7	-	0.05
(g) Other financial assets	8	7,250.47	5,644.78
		<u>11,341.24</u>	<u>13,693.74</u>
Non-financial assets			
(a) Current tax assets (net)	9	164.43	171.45
(b) Deferred tax assets (net)	10	609.10	627.65
(c) Property, Plant and Equipment	11	764.97	221.13
(d) Capital work in progress		-	0.43
(e) Intangible assets under development		153.78	95.67
(f) Other Intangible assets	12	72.16	112.18
(g) Other non-financial assets	13	24.59	46.37
		<u>1,789.03</u>	<u>1,274.88</u>
TOTAL ASSETS		<u>13,130.27</u>	<u>14,968.62</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
(a) Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	47	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	7,758.60	10,223.00
(b) Borrowings (other than debt securities)	15	2,725.94	2,264.51
(c) Other financial liabilities	16	899.02	278.35
		<u>11,383.56</u>	<u>12,765.86</u>
Non-financial liabilities			
(a) Provisions	17	23.19	17.52
(b) Other non-financial liabilities	18	88.18	194.24
		<u>111.37</u>	<u>211.76</u>
EQUITY			
(a) Equity share capital	19	1,771.90	1,771.90
(b) Other equity	20	(136.56)	219.10
		<u>1,635.34</u>	<u>1,991.00</u>
TOTAL LIABILITIES AND EQUITY		<u>13,130.27</u>	<u>14,968.62</u>

* Indicates amount less than 0.00 million

Significant accounting policies and notes to the financial statements.

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

For GMJ & Co.
Chartered Accountants
Firm Registration No.: 103429W

Haridas Bhat
Partner
Membership No.: 039070



For and on behalf of the Board of Directors

Biren Shah
Executive Director
DIN : 01258542

Prashant Mody
Non-executive Director
DIN: 03101048

Viral Thanawala
Chief Financial Officer

Brijmohan Bohra
Company Secretary

Mumbai
June 25, 2020

Mumbai
June 25, 2020

Edelweiss Broking Limited

Statement of Profit and Loss

(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	21	930.91	689.54
Rental income		47.94	27.52
Fee and commission income	22	3,045.90	2,529.06
Net gain on fair value changes (including Treasury income)	23	95.56	61.58
Other operating revenue	24	192.57	319.92
Total Revenue from operations		4,312.88	3,627.62
Other income	25	23.45	243.36
Total Income		4,336.33	3,870.98
Expenses			
Finance costs	26	669.56	428.77
Impairment on financial instruments	27	37.51	60.21
Employee benefits expense	28	2,224.91	2,523.17
Depreciation, amortisation and impairment	11,12	294.59	217.52
Other expenses	29	1,326.82	1,573.14
Total expenses		4,553.39	4,802.81
Loss before tax		(217.06)	(931.83)
Tax expenses:			
Current tax		35.79	(4.43)
Deferred tax		48.91	(413.74)
Loss for the year		(301.76)	(513.66)
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans		(11.23)	(8.75)
Other Comprehensive Income		(11.23)	(8.75)
Total Comprehensive Income		(312.99)	(522.41)
Earnings per equity share (Face value of ₹ 10 each):			
(1) Basic	31	(1.70)	(3.76)
(2) Diluted		(1.70)	(3.76)

Significant accounting policies and notes to the financial statements.

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

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W

Haridas Bhat

Haridas Bhat

Partner

Membership No.: 039070



For and on behalf of the Board of Directors

Biren Shah

Biren Shah

Director

DIN : 01258542

Prashant Mody

Prashant Mody

Non-executive Director

DIN:03101048

Viral Thanawala

Viral Thanawala

Chief Financial Officer

Brijmohan Bohra

Brijmohan Bohra

Company Secretary

Mumbai

June 25, 2020

Mumbai

June 25, 2020

Edelweiss Broking Limited

Statement of changes in Equity

(Currency : Indian rupees in millions)

	As at March 31, 2020	As at March 31, 2019
a) Equity share capital		
Balance as at the beginning of the year	1,771.90	1,133.00
Change in equity share capital during the year (refer note 19)	-	638.90
Balance as at the end of the year	1,771.90	1,771.90

b) Other equity

	Securities premium (refer note a below)	Deemed capital contribution - ESOP (refer note b below)	Retained earnings	Total
Balance at April 1, 2018	20.24	39.42	269.75	329.41
Total Comprehensive Income for the year	-	-	(522.41)	(522.41)
Issue of equity instruments	412.10	-	-	412.10
Balance at March 31, 2019	432.34	39.42	(252.66)	219.10
Transition impact of Ind AS 116			(73.03)	(73.03)
Transition impact of Lease DTA Impact - Ind AS 116			30.36	30.36
Total Comprehensive Income for the year	-	-	(312.99)	(312.99)
Balance at March 31, 2020	432.34	39.42	(608.32)	(136.56)

Note:

a) Securities premium

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

b) Deemed capital contribution - ESOP

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

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

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W

Haridas Bhat

Partner

Membership No.: 039070



For and on behalf of the Board of Directors

Biren Shah

Biren Shah

Executive Director

DIN : 01258542

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Company Secretary

Mumbai

June 25, 2020

Mumbai

June 25, 2020

Edelweiss Broking Limited

Cash Flow Statement

(Currency : Indian rupees in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities		
Loss before taxation	(217.06)	(931.83)
<i>Adjustments for:</i>		
Depreciation and amortisation expenses	294.59	217.52
Provision for Expected Credit Loss (ECL)	(182.97)	46.36
Loss/ (Profit) on sale/ write-off of Property, plant and equipment and intangibles (net)	1.73	(214.18)
Profit on sale of long term investment	-	(63.41)
Provision for Compensated absences	(0.61)	-
Rental income	(47.94)	(27.52)
Interest income on Pref shares *	0.00	0.00
Finance costs, incl. Bank guarantee commission	516.38	415.79
Operating cash flow before working capital changes	364.12	(557.27)
<i>Add / (less): Adjustments for working capital changes</i>		
Decrease in trade receivables	2,575.94	972.17
Decrease/ (Increase) in Stock in Trade *	0.00	(0.00)
Decrease/ (Increase) in fixed deposits, loans and other financial assets	1,100.55	(603.00)
Decrease in other non financial assets	21.78	16.91
(Decrease)/ Increase in Trade payables and other financial liabilities	(2,567.12)	2,746.07
(Decrease)/ Increase in provisions and other non-financial liabilities	(111.02)	58.48
Cash flow from operations	1,384.25	2,633.36
Income tax paid	(28.76)	(51.94)
Net cash from operating activities - A	1,355.49	2,581.42
B Cash flow from investing activities		
Purchase of property, plant and equipment, and intangible assets	(123.85)	(605.90)
Sale of property, plant and equipment, and intangible assets	5.57	924.32
Rental income	47.94	27.52
Sale of investment	-	84.55
Redemption of investments in preference shares	0.05	0.00
Net cash (used in)/ from investing activities - B	(70.29)	430.49
C Cash flow from financing activities		
Proceeds from issue of equity share capital including securities premium	-	1,050.99
Proceeds/ (Repayment) from short term borrowings (net) (refer note below)	468.75	(4,103.19)
Finance costs, incl. Bank guarantee commission paid	(448.99)	(414.35)
Finance cost paid (including interest on Leases - Ind AS 116)	(74.71)	-
Principal repayment of leases (Ind AS 116)	(89.20)	-
Net cash used in financing activities - C	(144.15)	(3,466.55)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	1,141.05	(454.64)



Edelweiss Broking Limited

Cash Flow Statement

(Currency : Indian rupees in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash and cash equivalents as at the beginning of the year	229.67	684.31
Cash and cash equivalents as at the end of the year (refer note 2)	1,370.72	229.67

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

* Indicates amount less than 0.00 million

This is the Cash Flow Statement referred to in our report of even date.

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W



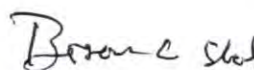
Haridas Bhat

Partner

Membership No.: 039070



For and on behalf of the Board of Directors



Biren Shah

Director

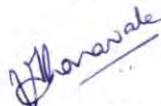
DIN : 01258542



Prashant Mody

Non-executive Director

DIN:03101048



Viral Thanawala

Chief Financial Officer



Brijmohan Bohra

Company Secretary

Mumbai
June 25, 2020

Mumbai
June 25, 2020

Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.1 Background

Edelweiss Broking Limited ("the Company") was incorporated on February 7, 2008. The Company is a 100% subsidiary of Edelweiss Financial Services Limited.

The Company is registered as a trading member with National Exchange of India Limited ('NSEIL'), BSE Limited ('BSE') and Metropolitan Stock Exchange of India Limited (MSEI), Multi-commodity Exchange of India Limited (MCX), National Commodity and Derivatives Exchange Limited (NCDEX) and provides broking services to the clients. The Company also registered as Depository Participant with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and also registered as Repository Participant with National E-Repository Limited (NERL) and CDSL Commodity Repository Limited (CCRL). The Company is registered as Research Analyst with Securities and Exchange Board of India (SEBI) and Corporate agent (Composite) with Insurance Regulatory and Development Authority of India (IRDAI). The Company is registered as Point of Presence (PoP) under the National Pension System (NPS) with Pension Fund Regulatory and Development Authority and Real Estate Agent with Maharashtra Real Estate Regulatory Authority, Uttar Pradesh Real Estate Regulatory Authority, Haryana Real Estate Regulatory Authority Panchkula. The Company is also a distributor for various financial products such as and Mutual Funds, Bonds, NCD, PMS, Structured Products & Alternative Investment fund etc.

1.2 Basis of preparation of financial statements

The Financial statements of the Company has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

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

The outbreak of COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian Government announced a 21 days lockdown which was further extended till May 31, 2020 across the nation to contain the spread of the virus and still continues to be across many parts of the country in India. The pandemic and its consequent adverse effect on the economy also adversely impacted the financial markets.

In preparing these financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments as at March 31, 2020 based on estimate of the future results and various internal and external information available up to the date of approval of these financial statements. The estimates as at the date of approval of these financial results may differ based on the ongoing impact of the pandemic and the timing of the improvement in the economy and the financial markets.



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.3 Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 34.

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

Significant accounting policies

1.4 Recognition of interest

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

1.5 Financial Instruments

a) Date of recognition

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

b) Initial measurement of financial instruments

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

c) Day 1 profit or loss

When the transaction price of the financial instrument differs from the fair value at origination and the



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.5 Financial Instruments (Continued)

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 profit or loss when the inputs become observable, or when the instrument is derecognised.

1.6 Classification of financial instruments

a) Financial assets:

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

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

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

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

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

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

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

i. Amortized cost and Effective interest method:

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

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.6 Classification of financial instruments (Continued)

discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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

ii. Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss. However, for equity investments in subsidiaries and associates, these are measured at cost as permitted under Ind AS 27.

b) Financial liabilities:

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

Debt securities and other borrowed funds

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

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

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

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

d) Financial liabilities and equity instruments

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



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.6 Classification of financial instruments (Continued)

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

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

1.7 Derecognition of financial assets and financial liabilities

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

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

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

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

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

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

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

c) Derecognition of financial liabilities:

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

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



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.8 Reclassification of financial assets and financial liabilities

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

1.9 Impairment of financial assets

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

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

1.10 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 guarantees. 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.

1.11 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.



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.12 Write off

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

1.13 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.
- 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.



Edelweiss Broking Limited

Notes to the financial statements for the year ended March 31, 2020

1.13 Determination of fair value (Continued)

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.

1.14 Revenue from contract with customer

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

The Company recognises revenue from the following sources:

- a. Brokerage income on securities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, goods and service tax ("GST"), transaction charges and stock exchange expenses.
- b. Fee income including advisory fees, referral fees, commission income, and transaction fees is accounted at a point in time as the customer receives and consumes the benefits.
- c. Interest on delayed payments are recognised as revenue on certainty of realisation.

1.15 Operating leases

As described in Note 36C, the Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.

Company as a lessee:

For any new contracts entered into on or after April 1, 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract is or contains lease

Measurement and recognition

At lease commencement date, the Company recognises a right-of-use (ROU) asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.15 Operating leases (Continued)

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or at the incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-

substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero

Short term lease

The Company has elected not to recognise right of use asset and lease liabilities for short term leases of property that has lease term of 12 months or less. The Company recognises lease payment associated with these leases as an expense on a straight line basis over lease term.

In the comparative period, as a lessee the Company classified leases that transfer substantially all the risk and reward of ownership as finance leases. Assets held under other leases are classified as operating lease and were not recognised in Company Balance sheet. Payments made under operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred

Company as lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

1.16 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.



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.17 Foreign currency transactions

The Financial statements are presented in Indian Rupees which is also functional currency of the Parent. 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 not retranslated.

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

1.18 Retirement and other employee benefit

Provident fund and national pension scheme

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

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have

earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

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

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

Compensated Absences

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

1.19 Share-based payment arrangements

Certain employees of the Company have been granted equity-settled ESOPs by the ultimate parent company (Edelweiss Financial Services Limited). The Company recognizes a cost with respect to the



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.19 Share-based payment arrangements (Continued)

services received from the said employees measured by reference to the fair value of the equity instruments granted by the ultimate parent at the grant date.

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

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the deemed capital contribution to the extent it is not recovered by the ultimate parent company. In cases

where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

1.20 Property, plant and equipment and right – of – use assets

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

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

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

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



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.20 Property, plant and equipment and right – of – use assets (Continued)

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

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

Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy 1.15. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

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

1.21 Intangible assets

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

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

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



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.22 Impairment of non-financial assets

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

1.23 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.

1.24 Provisions and other contingent liabilities

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

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

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

1.25 Income tax expenses

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

a) Current tax

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



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.25 Income tax expenses (Continued)

b) Deferred tax

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

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

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

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

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

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

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

c) Current and deferred tax for the year

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

Minimum alternate tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognises unused MAT credit as a deferred tax asset only to the extent that it is probable that the Company will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the statement of profit and loss. The Company reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Company will be able to utilise it during the specified period.



Edelweiss Broking Limited

Notes to the financial statements

for the year ended March 31, 2020

1.26 Critical accounting judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material

1.26 Critical accounting judgements and key sources of estimation uncertainty (Continued)

adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the Financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Effective interest rate method

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

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

b) Accounting for deferred taxes

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

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

1.27 Standards issued but not yet effective

There are no new standard or amendment issued but not effective.



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2020	As at March 31, 2019
2 Cash and cash equivalents		
Cash on hand	0.01	0.03
Balances with banks		
- in current accounts	1,370.71	229.64
	1,370.72	229.67
3 Bank balances other than cash and cash equivalents		
Fixed deposits (refer note 43)	1,493.78	4,211.66
	1,493.78	4,211.66
4 Stock in trade (at Fair value through Profit and Loss, within India)		
Equity instruments *	0.00	0.00
	0.00	0.00
5 Trade receivables		
Receivables considered good - Secured	904.83	3,423.80
Receivables considered good - Unsecured	300.30	172.67
Receivables - Credit impaired	106.98	291.58
	1,312.11	3,888.05
Less : Allowance for expected credit losses (ECL)	106.98	291.58
	1,205.13	3,596.47

* Indicates amount less than 0.00 million



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

5 Trade receivables (Continued)

Reconciliation of impairment allowance on trade receivables:

Particulars

Amount (₹)

Impairment allowance as on April 1, 2018

247.14

Add/ (less): asset originated or acquired (net)

44.44

Impairment allowance as on March 31, 2019

291.58

Add/ (less): asset originated or acquired (net)

(184.60)

Impairment allowance as on March 31, 2020

106.98

Provision matrix for Trade receivables

Trade receivables days past due	1-90days	91-180 days	more than 180 days	Total
March 31, 2020				
ECL rate	1.05%	26.33%	58.04%	
Estimated total gross carrying amount at default	1,136.72	21.38	154.01	1,312.11
ECL - Simplified approach	(11.97)	(5.63)	(89.38)	(106.98)
Net carrying amount	1,124.75	15.75	64.62	1,205.13
March 31, 2019				
ECL rate	0.12%	15.71%	80.24%	
Estimated total gross carrying amount at default	3,511.41	22.93	353.71	3,888.05
ECL - Simplified approach	(4.16)	(3.60)	(283.82)	(291.58)
Net carrying amount	3,507.25	19.33	69.89	3,596.47



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

6 Loans

(At amortised cost, unsecured, within India)

Employee Loans

	As at March 31, 2020	As at March 31, 2019
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Employee Loans	21.14	11.11
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	<u>21.14</u>	<u>11.11</u>
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Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2020			As at March 31, 2019		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
7 Investments						
Unquoted						
Investments in preference shares of fellow subsidiaries (fully paid up)						
Edelcap Securities Limited			-	10	5,000	0.05
			-			0.05



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

7 Investments (Continued)

As at March 31, 2020

Particulars	At Amortized cost	At cost (subsidiaries, associates, and joint ventures)	Total
Preference shares	-	-	-
Total - Gross (A)	-	-	-
(i) Investments outside India	-	-	-
(ii) Investment within India	-	-	-
Total (B)	-	-	-
Less: Allowance for impairment (C)	-	-	-
Total Net (A-C)	-	-	-

As at March 31, 2019

Particulars	At Amortized cost	At cost (subsidiaries, associates, and joint ventures)	Total
(i) Preference shares	0.05	-	0.05
Total - Gross (A)	0.05	-	0.05
(i) Investments outside India	-	-	-
(ii) Investment within India	0.05	-	0.05
Total (B)	0.05	-	0.05
Less: Allowance for impairment (C)	-	-	-
Total Net (A-C)	0.05	-	0.05



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2020	As at March 31, 2019
8 Other financial assets		
Security Deposits - Rent	109.41	111.04
Deposits placed with exchange/ depositories	26.82	27.82
Other deposits	8.15	7.72
Receivable from exchange/ clearing house (net)	455.64	1,640.39
Margin with exchange/ clearing house	5,622.73	1,893.26
Receivable towards Margin trading facility (net of provision for expected credit loss ₹ 1.47 (Previous Year ₹ 1.92))	964.00	1,961.15
Advances recoverable in cash or in kind or for value to be received (financial assets)	63.72	3.40
	7,250.47	5,644.78



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2020	As at March 31, 2019
9 Current tax assets (net)		
Advance income taxes	164.43	171.45
	164.43	171.45
10 Deferred tax assets (net)		
Deferred tax assets		
<u>Trade receivables and Receivable towards Margin trading facility and Other financial assets</u>		
Provision for expected credit losses	33.84	91.57
Provision on exchange deposits	0.65	-
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation	38.38	31.98
<u>Employee benefit obligations</u>		
Provision for Gratuity and compensated absences	7.23	5.47
<u>Unused tax credit</u>		
MAT credit entitlement	112.30	119.11
<u>Unused tax losses</u>		
Accumulated Losses	376.58	376.58
ROU assets less lease liabilities (Net)	37.99	-
Others	2.13	2.94
	609.10	627.65



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

11 Property, Plant and Equipment

Description of Assets	Gross Block					Accumulated Depreciation				Net Block	
	As at April 1, 2019	Transition impact of Ind AS 116	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 1, 2019	Charge for the year	Disposals during the year	As at March 31, 2020	As at March 31, 2020	
Leasehold improvements	90.19	-	(3.46)	13.75	72.98	15.46	15.18	12.50	18.14	54.84	
Furniture and Fixtures	17.62	-	12.75	5.90	24.47	5.52	6.75	4.29	7.98	16.49	
Vehicles	12.59	-	0.80	5.05	8.34	6.07	1.99	3.47	4.59	3.75	
Office equipment	38.95	-	22.96	7.32	54.59	17.81	20.84	6.59	32.06	22.53	
Computers	206.89	-	14.25	13.86	207.28	100.25	55.21	11.73	143.73	63.55	
Right of Use (ROU) -leasehold premises	-	564.38	177.36	-	741.74	-	137.93	-	137.93	603.81	
Total	366.24	564.38	224.66	45.88	1,109.40	145.11	237.90	38.58	344.43	764.97	

Description of Assets	Gross Block					Accumulated Depreciation				Net Block	
	As at April 1, 2018	Transition impact of Ind AS 116	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 1, 2018	Charge for the year	Disposals during the year	As at March 31, 2019	As at March 31, 2019	
Building	198.04	-	-	198.04	-	9.90	6.98	16.88	-	-	
Leasehold improvements	23.33	-	70.59	3.73	90.19	5.86	12.27	2.67	15.46	74.73	
Furniture and Fixtures	11.25	-	7.76	1.39	17.62	2.24	3.86	0.58	5.52	12.10	
Vehicles	15.11	-	2.65	5.17	12.59	4.78	3.55	2.26	6.07	6.52	
Office equipment	17.48	-	22.04	0.57	38.95	6.29	11.88	0.36	17.81	21.14	
Computers	102.98	-	107.95	4.04	206.89	39.34	62.96	2.05	100.25	106.64	
Total	368.19	-	210.99	212.94	366.24	68.41	101.50	24.80	145.11	221.13	



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

12 Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation				Net Block
	As at April 1, 2019	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 1, 2019	Charge for the year	Disposals during the year	As at March 31, 2020	As at March 31, 2020
Software	183.72	16.67	-	200.39	71.54	56.69	-	128.23	72.16
Total	183.72	16.67	-	200.39	71.54	56.69	-	128.23	72.16

Description of Assets	Gross block				Accumulated amortisation				Net block
	As at April 1, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 1, 2018	Charge for the year	Disposals during the year	As at March 31, 2019	As at March 31, 2019
Software	166.72	596.23	579.23	183.72	12.75	116.02	57.23	71.54	112.18
Total	166.72	596.23	579.23	183.72	12.75	116.02	57.23	71.54	112.18



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

13 Other non-financial assets

Contribution to gratuity fund (net)	-	2.44
Prepaid expenses	13.61	25.23
Vendor Advances	0.72	9.84
Advances recoverable in cash or in kind or for value to be received	8.68	7.21
Advances to employees	1.58	1.65

As at March 31, 2020	As at March 31, 2019
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-	2.44
13.61	25.23
0.72	9.84
8.68	7.21
1.58	1.65

24.59	46.37
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Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2020	As at March 31, 2019
14 Trade Payables		
Trade payables	7,758.60	10,223.00
(includes sundry creditors, provision for expenses and customer payables)		
	7,758.60	10,223.00
15 Borrowings (other than debt securities)		
(At amortised cost, unsecured, within India)		
Loan from related parties	2,704.02	2,235.28
Interest accrued and due on borrowings	21.92	29.23
(Repayable on demand at interest rate ranging from 11.50% to 13.10% p.a. (Previous year: 9% to 12.50% p.a.))		
	2,725.94	2,264.51
16 Other financial liabilities		
Other payables	45.62	44.52
Book overdraft	-	15.44
Accrued salaries and benefits	10.60	115.99
Deposits from sub-brokers	112.12	93.72
Retention money payable	5.10	8.68
Lease Liability	725.58	-
	899.02	278.35



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

17 Provisions

Provision for employee benefits:

Gratuity

Compensated absences

	As at March 31, 2020	As at March 31, 2019
--	-------------------------	-------------------------

6.28

-

16.91

17.52

23.19

17.52

18 Other non-financial liabilities

Withholding taxes, Goods and service tax and other taxes payable

85.23

190.72

Advances from customers

-

0.59

Others

2.95

2.93

88.18

194.24



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2020	As at March 31, 2019
19 Equity share capital		
Authorised :		
213,300,000 (Previous year: 213,300,000) Equity Shares of ₹ 10 each	2,133.00	2,133.00
10,000,000 (Previous year: 10,000,000) Preference Shares of ₹ 10 each	100.00	100.00
	2,233.00	2,233.00
Issued, subscribed and paid up:		
177,190,000 (Previous year: 177,190,000) Equity shares of ₹ 10 each, fully paid-up	1,771.90	1,771.90
	1,771.90	1,771.90
a. Movement in share capital :		
Outstanding at the beginning of the year	1,771.90	1,133.00
Shares issued during the year	-	638.90
Outstanding at the end of the year	1,771.90	1,771.90

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.

Shares held by the holding company	%	%
Holding company		
Edelweiss Financial Services Limited, the holding company and its nominees	100%	100%
	100%	100%



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

20 Other Equity

	As at March 31, 2020	As at March 31, 2019
Securities premium account - Opening balance	432.34	20.24
Add : Additions during on issue of equity shares	-	412.10
	432.34	432.34
Deemed capital contribution - ESOP	39.42	39.42
Retained earnings - Opening balance	(252.66)	269.75
Transition impact of Ind AS 116	(73.03)	-
Transition impact of Lease DTA Impact - Ind AS 116	30.36	-
Add/ (less) : Loss for the year	(301.76)	(513.66)
Add/ (less) : Other comprehensive income for the year	(11.23)	(8.75)
Amount available for appropriation	(608.32)	(252.66)
	(136.56)	219.10



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	for the year ended March 31, 2020	for the year ended March 31, 2019
21 Interest Income (On Financial assets measured at amortised cost)		
On fixed deposits	227.09	84.04
On margin with brokers	308.70	229.55
On Margin Trading Facility	394.93	375.94
On Others	0.19	0.01
	930.91	689.54
22 Fee income		
Income from Securities Broking	1,686.54	1,716.84
Income from Commodities Broking	33.72	-
Advisory and other fees	1,325.64	812.22
	3,045.90	2,529.06
Below is the disaggregation of the revenue from contracts with customers:		
Service transferred at a point in time	3,012.94	2,498.45
Service transferred over time	32.96	30.61
Total revenue from contract with customers	3,045.90	2,529.06
23 Net gain on fair value changes		
Net gain/ (loss) on financial instruments at fair value through profit or loss		
(A) On trading portfolio		
Profit on trading of securities (net)	98.26	0.85
Loss on equity derivative instruments (net)	(3.33)	(2.68)
(B) Others		
Profit on sale of long term investment	-	63.41
FV gain on financial asset	0.63	-
Total Net gain on fair value changes	95.56	61.58
Fair value changes:		
Realised	95.56	61.58
Unrealised*	(0.00)	0.00
Total Net gain on fair value changes	95.56	61.58
24 Other operating revenue		
Delayed payment charges	192.57	319.92
	192.57	319.92
25 Other income		
Profit on sale of property, plant and equipment and intangible assets (net)	-	214.18
Interest on Income tax refund	15.22	0.42
Miscellaneous income	8.23	28.76
	23.45	243.36

*Indicates amount less than 0.00 million



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	for the year ended March 31, 2020	for the year ended March 31, 2019
26 Finance costs <i>(On Financial liabilities measured at amortised cost)</i>		
Interest on deposits	34.46	-
Interest on borrowings	431.21	404.77
Interest Expenses on lease liabilities	74.71	-
Other interest expense	129.18	24.00
	669.56	428.77
27 Impairment on financial instruments <i>(On Financial instruments measured at amortised cost)</i>		
Bad-debts written off	220.48	13.85
Provision for expected credit losses on Trade Receivable and Receivable towards Margin trading facility and other financial assets	(182.97)	46.36
	37.51	60.21
28 Employee benefit expenses		
Salaries and wages	2,017.14	2,295.63
Contribution to provident and other funds	106.85	104.53
Expense on Employee Stock Option Scheme (ESOP)*	37.68	36.70
Staff welfare expenses (refer note 44)	58.40	86.31
Expense on Employee Stock Appreciation Rights	4.84	-
	2,224.91	2,523.17

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



Edelweiss Broking Limited

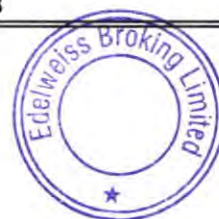
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	for the year ended March 31, 2020	for the year ended March 31, 2019
29 Other expenses		
Advertisement and business promotion	96.36	290.37
Auditors' remuneration (refer note 29a below)	1.48	1.28
Commission and brokerage	0.02	0.56
Communication	86.37	83.67
Insurance	1.61	0.95
Legal and professional fees	60.03	95.60
Printing and stationery	15.63	14.33
Rates and taxes	1.02	0.46
Rent (refer note 44)	175.51	247.99
Repairs and maintenance	12.90	0.31
Electricity charges (refer note 44)	34.79	36.40
Foreign exchange loss (net)	0.01	0.01
Computer expenses	19.00	18.26
Computer software	184.79	130.64
Corporate social responsibility	2.20	2.50
Clearing & custodian charges	77.28	-
Donation	-	1.21
Dematerialisation charges	20.03	17.66
Rating support fees	0.42	-
Loss on sale of of property, plant and equipment and intangible assets (net)	1.73	-
Membership and subscription	6.24	3.42
Office expenses	319.36	394.25
Postage and courier	7.92	7.28
ROC Expenses	-	8.11
Seminar and Conference	7.25	2.24
Goods & Service tax expenses	12.09	10.31
Site related expenses	19.17	43.40
Stamp duty	6.16	7.78
Stock exchange expenses	11.36	7.23
Travelling and conveyance	115.88	120.64
Housekeeping and security charges	25.76	18.55
Miscellaneous expenses	4.45	7.73
	1,326.82	1,573.14

29a Auditors' remuneration:

As Auditors	1.39	1.20
For other services	-	0.08
Towards reimbursement of expenses	0.09	-
	1.48	1.28



Edelweiss Broking Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

30 Income Tax**a) The components of income tax expense for the year ended March 31, 2020 and March 31, 2019 are:**

Particulars	March 31, 2020	March 31, 2019
Current tax	-	-
Adjustment in respect of current income tax of prior years	35.79	(4.43)
Deferred tax relating to origination and reversal of temporary differences	48.91	(37.16)
Deferred tax asset recognised on unused tax credit or unused tax losses	-	(376.58)
Total tax charge	84.70	(418.17)
Current tax	35.79	(4.43)
Deferred tax	48.91	(413.74)

b) Reconciliation of total tax charge

Particulars	March 31, 2020	March 31, 2019
Accounting profit before tax as per financial statements	(217.06)	(931.83)
Tax rate (in percentage)	31.20%	31.20%
Income tax expense calculated based on this tax rate	(67.72)	(290.73)
Adjustment in respect of current income tax of prior years	35.79	(4.43)
Effect of non-deductible expenses	0.70	1.18
Effect of recognition of deferred tax asset on prior period losses - earlier not recognised	-	(94.93)
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised or deferred tax assets on losses earlier recognised now considered not recoverable	122.09	-
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	6.81	(6.81)
Impact of certain items being taxed at different rates (for example, capital gains at different rates, etc.)	-	(4.50)
Depreciation on Goodwill as per Income tax	(12.97)	(17.95)
Tax charge for the year recorded in the Statement of Profit and Loss	84.70	(418.17)



Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

30 Income Tax (Continued)

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

	Movement for the year ended March 31, 2020				
	Opening deferred tax asset as per Ind AS	Recognised in statement of profit and loss	Recognised in retained earnings	Total movement	Closing deferred tax asset as per Ind AS
<i>Deferred taxes in relation to:</i>					
Property, Plant and Equipment and Intangibles	31.98	6.40	-	6.40	38.38
Trade receivables and Receivable towards Margin trading facility and other financial assets	91.57	(57.08)	-	(57.08)	34.49
Employee benefits obligations	5.47	1.76	-	1.76	7.23
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	376.58	-	-	-	376.58
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	119.11	(6.81)	-	(6.81)	112.30
Others (ROU Assets Less Lease Liabilities)	-	7.63	30.36	37.99	37.99
Others (Preliminary expenses)	2.94	(0.81)	-	(0.81)	2.13
Total	627.65	(48.91)	30.36	(18.55)	609.10

	Movement for the year ended March 31, 2019				
	Opening deferred tax asset as per Ind AS	Recognised in statement of profit and loss	Others	Total movement	Closing deferred tax asset as per Ind AS
<i>Deferred taxes in relation to:</i>					
Property, Plant and Equipment and Intangibles	(1.52)	33.50	-	33.50	31.98
Trade receivables and Receivable towards Margin trading facility	77.11	14.46	-	14.46	91.57
Employee benefits obligations	24.75	(19.28)	-	(19.28)	5.47
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	-	376.58	-	376.58	376.58
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	112.30	6.81	-	6.81	119.11
Others (Preliminary expenses)	1.27	1.67	-	1.67	2.94
Total	213.91	413.74	-	413.74	627.65

d) Break-up of recognition of current tax	March 31, 2020	March 31, 2019
In statement of profit and loss	35.79	(4.43)



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

30 Income Tax (Continued)

e) Details of temporary differences where deferred tax assets have not been recognized in the Balance Sheet

As at March 31, 2020	Unused tax losses				
Financial Year to which the loss relates to	Unabsorbed Depreciation		Business Loss		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
F.Y. 2019-20	168.62	Unlimited	222.71	F.Y. 2027-28	391.33
Total	168.62		222.71		391.33

Nil disclosure for March 31, 2019



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

31 Earnings per share

The computation of earning per share is set out below:

Particulars	March 31, 2020	March 31, 2019
Shareholders earnings (as per statement of profit and loss)	(301.76)	(513.66)
Calculation of weighted average number of equity shares of ₹ 10		
– Number of shares at the beginning of the year	177,190,000	113,300,000
– Number of shares issued during the year	-	63,890,000
Total number of equity shares outstanding at the end of the year	177,190,000	177,190,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	177,190,000	136,607,808
Basic and Diluted earnings per share	(1.70)	(3.76)

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



Edelweiss Broking Limited

Notes to the financial statements *(Continued)*

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

32 Segment reporting

The primary business of the Company is to provide broking and advisory services to the clients in India.

Accordingly, there is no separate reportable segment and hence, no disclosure is made under Indian Accounting Standard 108 – Operating Segment Reporting.



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

33 Disclosure pursuant to Ind AS 19 - Employee benefits

A) Defined contribution plan (Provident fund):

Amount of ₹ 83.18 (Previous year: ₹ 83.49) is recognized as expense and included in "Employee benefit expenses" – note 28 to the statement of profit and loss.

B) Defined benefit plan (Gratuity):

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

Statement of Profit and Loss

Expenses recognised in the Statement of Profit and Loss

	March 31, 2020	March 31, 2019
Service cost		
a. Current service cost	20.30	17.37
b. Past service cost	0.27	-
Net interest on net defined benefit liability / (asset)	0.53	0.52
Employer expenses	21.10	17.89

Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2020	March 31, 2019
Present value of DBO at start of the year	100.30	73.92
Service cost		
a. Current service cost	20.30	17.37
b. Past service cost	0.27	-
Interest cost	7.16	5.06
Benefits paid	(7.85)	(3.55)
Re-measurements		
a. Actuarial loss/(gain) from changed in demographic assumptions	1.29	-
b. Actuarial loss/(gain) from changed in financials assumptions	7.56	0.89
c. Actuarial loss from experience over last past year	(3.17)	8.18
Transfer in/ (out)	6.57	(1.57)
Present value of DBO at end of the year	132.47	100.30



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

33 Disclosure pursuant to Ind AS 19 - Employee benefits (Continued)

Reconciliation of fair value of plan assets

	March 31, 2020	March 31, 2019
Fair value of plan assets at start of the year	102.73	66.42
Contributions by employer	30.20	35.01
Benefits paid	(7.85)	(3.55)
Interest income plan assets	6.63	4.55
Re-measurements		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	(5.55)	0.31
Fair value of plan assets at end of the year	126.15	102.73
Actual return on plan assets	1.07	4.86
Expected employer contributions for the coming year	6.00	-

Net (asset)/ liability recognised in the Balance sheet

	March 31, 2020	March 31, 2019
Present value of DOB	135.43	100.30
Fair value of plan assets	126.15	102.73
(Asset)/ liability recognised in the Balance Sheet	6.28	(2.44)
Funded status [(deficit)/ Surplus]	(6.28)	2.44
Of which, short term liability	-	-
Experience adjustment on plan liabilities:(gain)/loss	(3.17)	8.18

Actuarial assumptions:

	March 31, 2020	March 31, 2019
Salary growth rate (% p.a.)	7% p.a	7% p.a
Discount rate (% p.a.)	5.5% p.a	6.7% p.a
Withdrawal rate (% p.a.)		
Senior	13% p.a	13% p.a
Middle	30% p.a	30% p.a
Junior	50% p.a	60% p.a
Mortality	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Interest rate on net DBO/ (asset) (% p.a.)	6.7% p.a	7% p.a
Expected weighted average remaining working life (years)	3 Years	3 Years



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

33 Disclosure pursuant to Ind AS 19 - Employee benefits (Continued)

Movement in Other Comprehensive Income

	March 31, 2020	March 31, 2019
Balance at start of year (loss)/ gain	(8.75)	NIL*
<i>Re-measurements on DBO</i>		
a. Actuarial loss/(gain) from changed in demographic assumptions	(1.29)	-
b. Actuarial (gain)/ loss from changed in financials assumptions	(7.56)	(0.89)
c. Actuarial (gain) from experience over last past year	3.17	(8.18)
<i>Re-measurements on plan assets</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	(5.55)	0.31
<i>Re-measurements on Asset Ceiling</i>		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Balance at end of year (loss)/ gain	(19.99)	(8.75)

* Ind AS 19 is being adopted from F.Y. 2018-19 and date of transition being April 1, 2017 hence disclosures are for comparative purposes only.

Sensitivity Analysis

DOB increases / (decreases) by	March 31, 2020	March 31, 2019
1 % Increase in salary growth rate	6.21	4.90
1 % Decrease in salary growth rate	(5.84)	(4.59)
1 % Increase in discount rate	(5.87)	(4.56)
1 % Decrease in discount rate	6.37	4.96
1 % Increase in withdrawal rate	(0.43)	(0.58)
1 % Decrease in withdrawal rate	0.47	0.59
Mortality (Increase in expected lifetime by 1 year)	8	1
Mortality (Increase in expected lifetime by 3 year)	25	3



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

33 Disclosure pursuant to Ind AS 19 - Employee benefits (Continued)

Movement in surplus/ (deficit)

	March 31, 2020	March 31, 2019
Net asset/ (liability) at start of year	2.44	(7.50)
Net transfer (in)/ out	(6.57)	1.57
Movement during the year		
Current service cost	(20.30)	(17.37)
Past service cost	(0.27)	-
Net interest on net DBO	(0.53)	(0.52)
Re-measurements	(11.23)	(8.75)
Contributions / benefits	30.20	35.01
(Deficit)/ Surplus at end of year	(6.28)	2.44



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

34 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	1,370.72	-	1,370.72	229.67	-	229.67
Other bank balances	1,333.19	160.59	1,493.78	4,209.66	2.00	4,211.66
Stock-in-trade *	0.00	-	0.00	0.00	-	0.00
Trade receivables	1,205.13	-	1,205.13	3,596.47	-	3,596.47
Loans	21.14	-	21.14	11.11	-	11.11
Investments	-	-	-	0.05	-	0.05
Other financial assets	7,069.56	180.91	7,250.47	5,498.20	146.58	5,644.78
	10,999.74	341.50	11,341.24	13,547.16	148.58	13,695.74
Non-financial assets						
Current tax assets (net)	50.80	113.63	164.43	23.71	147.74	171.45
Deferred tax assets (net)	-	609.10	609.10	-	627.65	627.65
Property, plant and equipment	-	764.97	764.97	-	221.13	221.13
Capital work-in-progress	-	-	-	-	0.43	0.43
Intangible assets under development	-	153.78	153.78	-	95.67	95.67
Other intangible assets	-	72.16	72.16	-	112.18	112.18
Other non-financial assets	19.12	5.47	24.59	41.08	5.29	46.37
	70.92	1,719.11	1,790.03	64.79	1,210.09	1,274.88
Total assets	11,070.66	2,060.61	13,131.27	13,610.95	1,358.67	14,970.62

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Trade payables	7,758.60	-	7,758.60	10,223.00	-	10,223.00
Borrowing (other than debt securities)	2,725.94	-	2,725.94	2,264.51	-	2,264.51
Other financial liabilities	310.34	586.68	897.02	278.35	-	278.35
	10,793.88	586.68	11,381.56	12,764.86	-	12,764.86
Non-financial liabilities						
Provisions	3.74	19.45	23.19	4.08	13.44	17.52
Other non-financial liabilities	88.18	-	88.18	194.24	-	194.24
	91.92	19.45	110.37	198.32	13.44	211.76
Total liabilities	10,885.80	606.13	11,491.93	12,963.18	13.44	12,976.62

* Indicates amount less than 0.00 million



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

35 Change in liabilities arising from financing activities

Particulars	April 1, 2019	Cashflows during the year	Others during the year*	March 31, 2020
Borrowings other than debt securities	2,264.51	468.75	(7.32)	2,725.94
Total liabilities from financing activities	2,264.51	468.75	(7.32)	2,725.94

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

Particulars	April 1, 2018	Cashflows during the year	Others during the year*	March 31, 2019
Borrowings other than debt securities	6,359.72	(4,103.19)	7.98	2,264.51
Total liabilities from financing activities	6,359.72	(4,103.19)	7.98	2,264.51

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



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

36 Contingent liabilities, commitments and lease arrangements

a) Legal claims

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Company is involved in various litigation, arbitration and regulatory proceedings in the ordinary course of its business. The Company has formal controls and policies for managing legal claims. Based on professional legal advice, the Company provides and/or discloses amounts in accordance with its accounting policies. At year end, the Company had several unresolved legal claims however individually any of the claim is not material. The aggregate value of claim against the Company is ₹ 67.44.

b) Contingent liabilities

Particulars	March 31, 2020	March 31, 2019
(a) Claims against the Group not acknowledged as debt	67.44	54.75
(b) Taxation matters	36.00	40.52

c) Operating lease commitments

The Company has entered into commercial leases for premises and equipment.

Future minimum lease payments under non-cancellable operating leases for the year ended March 31, 2019 are as follows:

Particulars	March 31, 2019
Within one year	108.07
After one year but not more than five years	278.66
More than five years	-
Total	386.73

i) Reconciliation of Lease commitment with opening lease liability

Measurement of lease liability	March 31, 2020
Opening lease commitment disclosed as at March 31, 2019	386.74
Change in lease term under Ind AS 116	274.95
Total	661.69

ii) The change in accounting policy affected following items in the balance sheet as on April 1, 2019

Particulars	Amount
Lease liability - Increase by	661.69
PPE - ROU - Increase by	564.38
Deferred tax asset - Increase by	30.36
Other impact if any (Opening SLM provision reversed in retained earnings)	24.28
Net impact on retained earnings on April 1, 2019 - Decreased by	42.67

iii) Operating lease commitments - disclosure

Short term lease payments under operating leases for the year ended March 31, 2020 are as follows:

Particulars	March 31, 2020
Within one year	0.81
Total	0.81

iv) Other disclosures

Particulars	% / Years / Amount
Incremental borrowing rate of company (in %)	11.50%
The leases have an average life of between (in years)	6
The total lease payment for the year (in amount)	342.29
Lease rent expenses recognised in P&L for short term leases (in amount)	154.11



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

36 Contingent liabilities, commitments and lease arrangements (Continued)

d) Capital and other commitments

- i) Estimated amount of contracts remaining to be executed on Property, plant and equipment and Intangible assets amounts to ₹ 41.69 (net of advances) (Previous year: ₹ 56.39).
- ii) The Company have provided bank guarantees aggregating to ₹ 700.00 (Previous year ₹ 80.00) as on March 31, 2020 to The Bombay Stock Exchange of India Limited for meeting margin requirement.
- iii) The Company have pledged fixed deposits with bank aggregating to ₹ 350.00 (Previous year ₹ 40.00) for obtaining the above bank guarantees.
- iv) The Company have provided bank guarantees aggregating to ₹ Nil (Previous year ₹ 420.00) as on March 31, 2020 to The National Stock Exchange of India Limited for meeting margin requirement.
- v) The Company have pledged fixed deposits with bank aggregating to ₹ Nil (Previous year ₹ 210.00) for obtaining the above bank guarantees.

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



Edelweiss Broking Limited

Notes to the financial statements (Continued) for the year ended March 31, 2020

(Currency: Indian rupees in millions)

38 Disclosure as required by Ind AS 24 - "Related Party Disclosure":

a. Name of related party by whom control is exercised:

Edelweiss Financial Services Limited - Holding company

b. Fellow subsidiaries with whom transactions have taken place during the year:

EC Commodity Limited
ECap Equities Limited *
ECL Finance Limited
Edel Investments Limited
Edel Land Limited
Edelcap Securities Limited
EdelGive Foundation
Edelweiss Alternative Asset Advisors Limited
Edelweiss Asset Management Limited **
Edelweiss Asset Reconstruction Company Limited
Edelweiss Capital Markets Limited
Edelweiss Comtrade Limited
Edelweiss Custodial Services Limited
Edelweiss Finance and Investments Limited
Edelweiss Finvest Private Limited
Edelweiss Gallagher Insurance Brokers Limited (Formerly known Edelweiss Insurance Brokers Limited)
Edelweiss General Insurance Company Limited
Edelweiss Global Wealth Management Limited
Edelweiss Housing Finance Limited
Edelweiss Investment Adviser Limited
Edelweiss Multi Strategy Fund Advisors LLP
Edelweiss Retail Finance Limited
Edelweiss Rural & Corporate Services Limited ***
Edelweiss Securities and Investments Private Limited ****
Edelweiss Securities Limited
Edelweiss Tokio Life Insurance Company Limited

c. Key Management Personnel

Mr. Biren Shah - Executive Director
Mr. Mahadev Gole - Manager

Notes

* W.e.f. April 21, 2018, Olive Business Centre Limited, Burlington Business Solutions Limited, Auris Corporate Centre Limited, Serenity Business Park Limited and Eternity Business Centre Limited have been merged into ECap Equities Limited & W.e.f. November 22, 2019, Edelweiss Trusteeship Company Limited, Edelweiss Holdings Limited and Alternative Investment Market Advisors Private Limited have been merged with ECap Equities Limited, a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.

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



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

38 Disclosure as required by Ind AS 24 - "Related Party Disclosure" (Continued) :

*** W.e.f. February 18, 2019, Edel Commodities Limited and EFSL Trading Limited was merged into EFSL Comtrade Limited vide Order of National Company Law Tribunal at Hyderabad w.e.f. May 4, 2018. Further, EFSL Comtrade Limited, Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, Edelweiss Capital Markets Limited and Edelweiss Fund Advisors Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)

**** W.e.f. November 19, 2019, Edelweiss Securities Trading and Management Private Limited have been merged with Edelweiss Securities And Investment Private Limited, a wholly owned subsidiary of the Company, pursuant to the scheme of arrangement approved by National Company Law Tribunal.

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



Edelweiss Broking Limited

Notes to the financial statements (Continued) for the year ended March 31, 2020

(Currency: Indian rupees in millions)

38 Disclosure as required by Ind AS 24 – "Related Party Disclosure" (Continued):

Transactions with related parties :

Sr. No.	Nature of Transaction	Related party name	March 31, 2020	March 31, 2019
Capital account transactions				
1	Issue of equity shares to (including share premium)	Edelweiss Financial Services Limited	-	1,050.99
2	Investment in Equity shares sold to	Edelweiss Rural & Corporate Services Limited	-	84.55
3	Redemption of Preference shares	Edelcap Securities Limited	0.05	-
Current account transactions				
4	Loans taken from (refer note below)	Edelweiss Rural & Corporate Services Limited	5,389.27	5,617.49
		Edelweiss Finance and Investments Limited	2,700.50	-
		ECap Equities Limited	-	1,770.00
5	Loan repaid to (refer note below)	Edelweiss Rural & Corporate Services Limited	5,851.02	11,490.68
		ECap Equities Limited	1,770.00	-
6	Inter Corporate Deposit (ICD) taken from (refer note below)	Edelweiss Securities Limited	3,050.00	-
7	Inter Corporate Deposit (ICD) repaid to (refer note below)	Edelweiss Securities Limited	3,050.00	-
Secondary market transactions with clearing				
8	Margin placed with	Edelweiss Custodial Services Limited	5,204.00	3,495.62
9	Margin withdrawn from	Edelweiss Custodial Services Limited	2,938.12	5,290.45
		Edelweiss Securities Limited	0.05	-
Fees Income				
10	Brokerage income received from	ECap Equities Limited	3.28	-
		Edelweiss Tokio Life Insurance Company Limited	1.70	0.56
		Edelweiss Asset Management Limited	0.40	-
		Edelweiss Securities and Investments Private Limited	0.01	-
		Edelweiss Securities Trading and Management Private Limited (now merged with Edelweiss Securities and Investments Private Limited)	-	0.63
11	Fee income received from	Edelweiss Securities Limited	104.78	268.35
		Edelweiss Asset Management Limited	6.75	6.67
		Edelweiss Retail Finance Limited	-	51.08
12	Commission/ Brokerage income received from	Edelweiss Alternative Asset Advisors Limited	398.05	151.21
		Edelweiss Asset Reconstruction Company Limited	217.61	101.08
		Edelweiss Securities Limited	129.02	-
		ECap Equities Limited	60.36	-
		Edelweiss Tokio Life Insurance Company Limited	37.49	33.32
		Edelweiss Asset Management Limited	34.87	-
		Edelweiss Finance and Investments Limited	27.90	-
		Edelweiss Finvest Private Limited	2.10	-
		Edelweiss Financial Services Limited	1.82	-
		ECL Finance Limited	1.18	-
		Edelweiss General Insurance Company Limited	0.36	0.03
13	Commission paid to	Edelweiss Global Wealth Management Limited	0.17	-
14	Interest Income - Preference Capital	Edelcap Securities Limited *	0.00	-



Edelweiss Broking Limited

Notes to the financial statements (Continued) for the year ended March 31, 2020

(Currency: Indian rupees in millions)

38 Disclosure as required by Ind AS 24 – “Related Party Disclosure” (Continued):

Transactions with related parties (Continued) :

Sr. No.	Nature of Transaction	Related party name	March 31, 2020	March 31, 2019
15	Rental income from	ECL Finance Limited	12.06	2.03
		Edelweiss Securities Limited	7.35	3.19
		Edelweiss Finvest Private Limited	5.49	0.02
		Edelweiss Comtrade Limited	3.98	0.02
		Edelweiss Rural & Corporate Services Limited	3.31	1.90
		Edelweiss Financial Services Limited	3.27	1.04
		Edelweiss Investment Adviser Limited	3.21	-
		Edelweiss General Insurance Company Limited	2.76	-
		Edelweiss Asset Management Limited	2.27	-
		Edelweiss Asset Reconstruction Company Limited	1.57	-
		Edelweiss Housing Finance Limited	1.39	-
		Edelweiss Gallagher Insurance Brokers Limited (Formerly known as Edelweiss Insurance Brokers Limited)	0.60	-
		Edelweiss Custodial Services Limited	0.36	3.82
		Edelweiss Retail Finance Limited	0.22	-
		Edelweiss Global Wealth Management Limited	0.07	-
		Edelweiss Alternative Asset Advisors Limited	0.02	0.12
		Edelweiss Finance and Investments Limited	0.02	2.13
		Alternative Investment Market Advisors Private Limited (now merged with Ecap Equities Limited)	-	0.15
		EC Commodity Limited	-	1.21
		ECap Equities Limited	-	4.21
		Edel Investments Limited	-	0.63
		Edelcap Securities Limited	-	6.17
		Edelweiss Capital Markets Limited	-	0.87
16	Interest paid on loan from	Edelweiss Rural & Corporate Services Limited	352.52	392.36
		Ecap Equities Limited	75.43	1.82
		Edelweiss Finance and Investments Limited	3.26	-
17	Interest paid on Inter-Corporate Deposit	Edelweiss Securities Limited	34.46	-
18	Interest received on margin	Edelweiss Custodial Services Limited	307.01	229.55
		Edelweiss Securities Limited *	0.00	0.00
19	Rent paid to	Ecap Equities Limited	62.40	47.04
		Edelweiss Rural & Corporate Services Limited	33.90	33.66
		ECL Finance Limited	17.86	-
		Edelweiss Securities Limited	9.68	0.16
		Edelweiss Custodial Services Limited	7.76	-
		Edelweiss Global Wealth Management Limited	6.70	-
		Edelweiss Retail Finance Limited	1.17	-
		Edelweiss Asset Management Limited	0.78	-
		Edelweiss Comtrade Limited	0.18	-
		Edelweiss Housing Finance Limited	0.07	-
20	Clearing charges paid to	Edelweiss Custodial Services Limited	77.28	-
21	Demat Charges paid to	Edelweiss Custodial Services Limited	6.42	-
22	Software usage charges paid to	Edelweiss Global Wealth Management Limited	122.46	-
23	Enterprise/ Corporate cost paid to	Edelweiss Rural & Corporate Services Limited	103.14	243.76
		Edelweiss Financial Services Limited	19.30	-
24	Website related charges paid to	Edelweiss Rural & Corporate Services Limited	19.29	43.13
25	Rating support fees paid to	Edelweiss Financial Services Limited	0.02	-



Edelweiss Broking Limited

Notes to the financial statements (Continued) for the year ended March 31, 2020

(Currency: Indian rupees in millions)

38 Disclosure as required by Ind AS 24 – “Related Party Disclosure” (Continued):

Transactions with related parties (Continued) :

Sr. No.	Nature of Transaction	Related party name	March 31, 2020	March 31, 2019
26	Purchase of securities from	ECL Finance Limited	2,052.95	400.54
		Edelweiss Finance and Investments Limited	85.05	-
		Edelweiss Global Wealth Management Limited	52.57	6.33
		Edelweiss Rural & Corporate Services Limited	-	10.98
27	Sale of securities to	ECL Finance Limited	254.45	53.47
		Edelweiss Securities and Investments Private Limited	1.00	-
		Edelweiss Global Wealth Management Limited	-	311.53
28	Donation paid to	EdelGive Foundation	-	2.50
29	Distribution income rights purchased from	Edelweiss Global Wealth Management Limited	61.74	-
30	Cost reimbursement recovered from	Edelweiss Alternative Asset Advisors Limited	0.15	-
		Edelweiss Asset Management Limited	0.11	26.58
		ECL Finance Limited	-	8.53
		Edel Land Limited	-	0.15
		Edelweiss Comtrade Limited	-	4.66
		Edelweiss Custodial Services Limited	-	0.25
		Edelweiss Finvest Private Limited	-	0.96
		Edelweiss General Insurance Company Limited	-	0.21
		Edelweiss Housing Finance Limited	-	2.02
		Edelweiss Investment Adviser Limited	-	5.12
31	Cost reimbursement paid to	Edelweiss Financial Services Limited	48.01	50.24
		Edelweiss Rural & Corporate Services Limited	33.64	3.58
		Edelweiss Securities Limited	3.70	2.47
		ECap Equities Limited	0.43	3.45
		Edel Land Limited	0.43	-
		ECL Finance Limited	0.16	-
		Edelweiss Housing Finance Limited	0.03	-
		Edelweiss Global Wealth Management Limited	0.02	7.56
		Edelweiss Asset Reconstruction Company Limited	0.01	-
		Edelweiss Retail Finance Limited	-	0.23
32	Reimbursements paid to	Edelweiss Rural & Corporate Services Limited	3.02	2.25
		Edelweiss Gallagher Insurance Brokers Limited (Formerly known Edelweiss Insurance Brokers Limited)	0.02	-
		Edelweiss Finvest Private Limited	0.09	-
		Edelweiss Comtrade Limited	0.07	-
33	Reimbursements recovered from	Edelweiss Financial Services Limited	4.94	53.89
34	Purchase of Property, Plant and Equipment & Intangible assets from	Edelweiss Rural & Corporate Services Limited	2.71	0.04
		Edelweiss Gallagher Insurance Brokers Limited (Formerly known Edelweiss Insurance Brokers Limited)	0.44	-
		Edelweiss Global Wealth Management Limited	0.44	1.86
		ECL Finance Limited	0.27	0.80
		Edelweiss Housing Finance Limited	0.17	0.60
		Edelweiss Securities Limited	0.14	1.08
		Edelweiss Financial Services Limited	0.11	0.10
		Edelweiss Investment Adviser Limited	0.09	0.00
		ECap Equities Limited	0.08	0.01
		Edelweiss Alternative Asset Advisors Limited	0.07	0.15
		Edelweiss Custodial Services Limited	0.04	0.03
		Edelweiss Asset Management Limited	0.03	0.04
		Edelweiss Retail Finance Limited	0.03	0.81
		Edelweiss Comtrade Limited	0.03	0.01
		Edelweiss Asset Reconstruction Company Limited	0.02	0.02
		Edelweiss Finvest Private Limited	0.02	-
		EC Commodity Limited *	0.00	-
		Edelweiss Multi Strategy Fund Advisors LLP	-	0.02



Edelweiss Broking Limited

Notes to the financial statements (Continued) for the year ended March 31, 2020

(Currency: Indian rupees in millions)

38 Disclosure as required by Ind AS 24 – "Related Party Disclosure" (Continued):

Transactions with related parties (Continued) :

Sr. No.	Nature of Transaction	Related party name	March 31, 2020	March 31, 2019
35	Sale of Property, Plant and Equipment & Intangible assets to	Edelweiss Securities Limited	0.71	0.22
		ECL Finance Limited	0.46	0.44
		Edelweiss Housing Finance Limited	0.28	0.12
		Edelweiss Rural & Corporate Services Limited	0.27	343.58
		Edelweiss Finvest Private Limited	0.13	0.88
		Edelweiss Gallagher Insurance Brokers Limited (Formerly known as Edelweiss Insurance Brokers Limited)	0.11	0.18
		Edelweiss Asset Management Limited	0.10	0.04
		Edelweiss Alternative Asset Advisors Limited	0.09	0.11
		Edelcap Securities Limited	0.08	0.00
		Edelweiss Asset Reconstruction Company Limited	0.07	0.02
		Edelweiss Custodial Services Limited	0.06	0.18
		Edelweiss Global Wealth Management Limited	0.06	573.84
		Edelweiss Investment Adviser Limited	0.06	0.04
		Edelweiss Financial Services Limited	0.05	0.23
		Edelweiss Comtrade Limited	0.04	0.06
		Edelweiss General Insurance Company Limited	0.03	0.15
		Edel Land Limited	0.03	-
		Edelweiss Finance and Investments Limited *	0.00	-
		Edel Investments Limited *	0.00	-
		Edelgive Foundation *	-	0.00
36	Short term employee benefits paid to (refer note c)	Key Management Personnel	12.09	18.84
	Balances with related parties			
37	Equity share capital held by	Edelweiss Financial Services Limited	1,771.90	1,771.90
38	Short term borrowings from	Edelweiss Finance and Investments Limited	2,700.50	-
		Edelweiss Rural & Corporate Services Limited	3.52	465.28
		ECap Equities Limited	-	1,770.00
39	Trade payables to	Edelweiss Global Wealth Management Limited	120.50	8.05
		Edelweiss Rural & Corporate Services Limited	15.04	119.62
		Edelweiss Securities and Investments Private Limited	8.51	-
		Edelweiss Securities Trading and Management Private Limited (now merged with Edelweiss Securities and Investments Private Limited)	-	69.65
		Edelweiss Financial Services Limited	7.48	4.01
		ECap Equities Limited	5.71	13.15
		Edelweiss Securities Limited	1.64	2.16
		Edelweiss Asset Management Limited	0.39	0.28
		Edelweiss Custodial Services Limited	0.38	-
		Edelweiss Alternative Asset Advisors Limited	0.18	0.01
		Edelweiss Retail Finance Limited	0.11	0.07
		ECL Finance Limited	-	0.01
		Edelweiss Housing Finance Limited	-	0.06
		Edelweiss Securities and Investments Private Limited	-	-
		Edelweiss Investment Adviser Limited *	-	0.00
40	Interest accrued and due on loan taken	Edelweiss Rural & Corporate Services Limited	18.99	27.60
		Edelweiss Finance and Investments Limited	2.93	-
		ECap Equities Limited	-	1.64
41	Other payables to	Edelweiss Financial Services Limited	40.77	36.70
		Edelweiss Alternative Asset Advisors Limited	1.14	-
		Edelweiss Global Wealth Management Limited	1.03	0.85
		Edelweiss Comtrade Limited	0.61	-
		Edelweiss Securities Limited	0.09	-
		ECL Finance Limited	0.09	0.08
		Edelweiss Asset Management Limited	0.03	-
		Edelweiss Asset Reconstruction Company Limited *	-	0.00
		Edelweiss Finvest Private Limited	-	3.95
42	Investments in Preference Shares	Edelcap Securities Limited	-	0.05



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

38 Disclosure as required by Ind AS 24 – “Related Party Disclosure” (Continued):

Transactions with related parties (Continued) :

Sr. No.	Nature of Transaction	Related party name	March 31, 2020	March 31, 2019
43	Trade receivables from	Edelweiss Tokio Life Insurance Company Limited	4.55	9.10
		Edelweiss General Insurance Company Limited	3.36	0.36
		Edelweiss Asset Reconstruction Company Limited	1.96	0.01
		ECL Finance Limited	1.01	1.73
		Edelweiss Finvest Private Limited	0.45	0.36
		Edelweiss Investment Adviser Limited	0.32	-
		Edelweiss Finance and Investments Limited	0.27	-
		Edelweiss Gallagher Insurance Brokers Limited (Formerly known Edelweiss Insurance Brokers Limited)	0.21	-
		Edelweiss Comtrade Limited	0.12	-
		Edelweiss Housing Finance Limited	0.01	0.46
		Edelweiss Asset Management Limited	-	6.53
		Edelweiss Custodial Services Limited	-	0.03
		Edelweiss Financial Services Limited	-	1.39
		Edelweiss Global Wealth Management Limited	-	0.06
		Edelweiss Retail Finance Limited	-	0.06
		Edelweiss Rural & Corporate Services Limited	-	2.57
		Edelweiss Securities Limited	-	1.61
		Edel Land Limited	-	0.11
44	Other receivables	Edelweiss Comtrade Limited	3.31	0.11
		Edelweiss Finvest Private Limited	2.57	0.05
		Edelweiss Rural & Corporate Services Limited	0.87	1.46
		Edelweiss Gallagher Insurance Brokers Limited (Formerly known Edelweiss Insurance Brokers Limited)	0.47	-
		ECL Finance Limited	-	0.00
		Edelcap Securities Limited	-	0.22
		Edelweiss Alternative Asset Advisors Limited	-	0.04
		Edelweiss Asset Management Limited	-	0.62
		Edelweiss Custodial Services Limited	-	0.22
		Edelweiss Housing Finance Limited	-	0.10
		Edelweiss Securities Limited	-	0.63
45	Accrued Interest on Margin placed with	Edelweiss Custodial Services Limited	23.49	9.90
46	Margin placed with	Edelweiss Custodial Services Limited	4,149.11	1,883.23

* Indicates amount less than 0.00 million

Notes:

- Loan given/ taken to/ from related parties and margin money placed/ refund received with/ from related parties are disclosed based on the maximum incremental amount given/ taken and placed/ refund received during the reporting period.
- Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee: Loans have been given for general business purpose.
- Information relating to remuneration paid to Key Managerial Person mentioned above excludes provision made for gratuity, compensated absence and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.



Edelweiss Broking Limited

Notes to the financial statements (Continued) for the year ended March 31, 2020

(Currency : Indian rupees in millions)

39 Capital management

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

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

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



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

40 Risk Management

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

Risk management structure

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

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

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

Credit risk

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

Liquidity risk

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of fixed deposits, cash and cash equivalents, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

40 Risk Management (Continued)

Analysis of non-derivative financial liabilities by remaining contractual maturities

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

As at March 31, 2020	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Trade payables	7,758.60	-	-	-	-	7,758.60
Borrowings (other than debt securities)	2,725.94	-	-	-	-	2,725.94
Other financial liabilities	201.62	33.77	76.95	309.29	277.39	899.02
Total undiscounted non-derivative financial liabilities	10,686.16	33.77	76.95	309.29	277.39	11,383.56

As at March 31, 2019	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Trade payables	10,223.00	-	-	-	-	10,223.00
Borrowings (other than debt securities)	2,264.51	-	-	-	-	2,264.51
Other financial liabilities	269.67	-	8.68	-	-	278.35
Total undiscounted non-derivative financial liabilities	12,757.18	-	8.68	-	-	12,765.86



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

40 Risk Management (Continued)

Analysis of non-derivative financial assets by remaining contractual maturities

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

As at March 31, 2020	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	2,300.23	143.46	260.21	158.59	2.00	2,864.50
Stock-in-trade *	0.00	-	-	-	-	0.00
Trade receivables	1,205.13	-	-	-	-	1,205.13
Loans	-	-	21.14	-	-	21.14
Other financial assets	6,090.83	5.04	973.69	154.09	26.82	7,250.47
Total	9,596.20	148.50	1,255.04	312.68	28.82	11,341.24

As at March 31, 2019	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	1,266.92	2,614.56	557.85	-	2.00	4,441.33
Stock-in-trade *	0.00	-	-	-	-	0.00
Trade receivables	3,596.47	-	-	-	-	3,596.47
Loans	-	-	11.11	-	-	11.11
Investments at amortised cost	-	-	0.05	-	-	0.05
Other financial assets	3,537.05	-	1,961.15	118.76	27.82	5,644.78
Total	8,400.44	2,614.56	2,530.16	118.76	29.82	13,693.74

* Indicates amount less than 0.00 million



Edelweiss Broking Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

40 Risk Management (Continued)**Analysis of financial assets and liabilities by industry risk concentration****Industry analysis - Risk concentration for March 31, 2020**

Particulars	Financial services	Retail	Services	Others	Total
Financial assets					
Cash and cash equivalent and other bank balances	2,864.50	-	-	-	2,864.50
Stock in trade *	-	0.00	-	-	0.00
Financial assets - Amortised cost	6,168.90	964.01	117.56	-	7,250.47
Trade and other receivables	-	1,205.13	-	-	1,205.13
Loans	-	-	-	21.14	21.14
Total	9,033.40	2,169.14	117.56	21.14	11,341.24

Industry analysis - Risk concentration for March 31, 2019

Particulars	Financial services	Retail	Services	Others	Total
Financial assets					
Cash and cash equivalent and other bank balances	4,441.33	-	-	-	4,441.33
Stock in trade *	-	0.00	-	-	0.00
Investments at amortised cost	0.05	-	-	-	0.05
Financial assets - Amortised cost	3,564.87	1,961.15	118.76	-	5,644.78
Trade and other receivables	-	3,596.47	-	-	3,596.47
Loans	-	-	-	11.11	11.11
Total	8,006.25	5,557.62	118.76	11.11	13,693.74

* Indicates amount less than 0.00 million



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

40 Risk Management (Continued)

Collateral held and other credit enhancements

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

March 31, 2020	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans	21.14	Unsecured
Trade receivables (Gross)	1,312.11	Cash, Securities, Fixed deposits, Bank Guarantee etc.
Other financial assets (Gross)	6,288.53	Unsecured
Other financial assets (Gross) - Receivable towards Margin trading facility	965.47	Cash, Securities etc.
Total financial assets at amortized cost	8,587.25	

March 31, 2019	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans	11.11	Unsecured
Trade receivables (Gross)	3,888.05	Cash, Securities, Fixed deposits, Bank Guarantee etc.
Other financial assets	3,683.63	Unsecured
Other financial assets (Gross) - Receivable towards Margin trading facility	1,963.07	Cash, Securities etc.
Investments in Preference shares at amortized cost	0.05	Unsecured
Total financial assets at amortized cost	9,545.91	



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

40 Risk Management (Continued)

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.

Particulars	March 31, 2020			March 31, 2019		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	2,864.50	-	2,864.50	4,441.33	-	4,441.33
Stock-in-trade *	0.00	0.00	-	0.00	0.00	-
Loans	21.14	-	21.14	11.11	-	11.11
Trade receivables	1,205.13	-	1,205.13	3,596.47	-	3,596.47
Other Financial assets	7,250.47	4,172.60	3,077.87	5,644.78	1,893.26	3,751.53
Financial investments- Amortised cost	-	-	-	0.05	-	0.05
Total	11,341.24	4,172.60	7,168.64	13,694.75	1,894.26	11,800.49
Liability						
Borrowings (other than Debt Securities)	2,725.94	-	2,725.94	2,264.51	-	2,264.51
Trade payables	7,758.60	-	7,758.60	10,223.00	-	10,223.00
Other liabilities	899.02	-	899.02	278.36	-	278.36
Total	11,383.56	-	11,383.56	12,765.87	-	12,765.87

* Indicates amount less than 0.00 million

Liquidity Reserves

The Company has undrawn loan commitments amounting to ₹ Nil as on March 31, 2020 (as on March 31, 2019: ₹ 150 Crore).



Edelweiss Broking Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

41 Financial assets available to support future funding

Following table sets out availability of assets to support funding:

March 31, 2020	Pledge as collateral	others (refer note 1)	Available as collateral	others (refer note 2)	Total carrying amount
Cash and cash equivalent including other bank balance	1,432.40	-	6.38	1,425.72	2,864.50
Trade receivables	-	-	1,205.13	-	1,205.13
loans	-	-	-	21.14	21.14
Other financial assets	-	6,105.18	1,145.29	-	7,250.47
Property, plant and equipment	-	-	106.31	-	106.31
Total assets	1,432.40	6,105.18	2,463.11	1,447.86	11,447.55

March 31, 2019	Pledge as collateral	others (refer note 1)	Available as collateral	others (refer note 2)	Total carrying amount
Cash and cash equivalent including other bank balance	4,197.42	-	6.38	237.53	4,441.33
Trade receivables	-	-	3,596.47	-	3,596.47
loans	-	-	-	11.11	11.11
Investments	-	-	0.05	-	0.05
Other financial assets	-	3,561.47	2,083.32	-	5,644.78
Property, plant and equipment	-	-	146.38	-	146.38
Total assets	4,197.42	3,561.47	5,832.59	248.64	13,840.13

Note

- 1 Represents assets which are not pledged and Group 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 group would not consider readily available to secure funding in the normal course of business.



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

42 Foreign currency transactions

The Company has incurred expenditure in foreign currency ₹ 0.24 during the year ended March 31, 2020 (Previous year: ₹ 1.19).

43 Additional disclosure on fixed deposits

1. Fixed deposits aggregating to ₹ 1,046.85 (Previous year: ₹ 3,911.30) have been pledged with exchanges for meeting margin requirement.
2. Fixed deposits aggregating to ₹ 11.33 (Previous year: ₹ 12.87) have been pledged with exchanges for meeting base capital requirement.
3. Fixed deposits aggregating to ₹ 22.42 (Previous year: ₹ 21.25) have been pledged with exchanges towards arbitration.
4. Fixed deposits aggregating to ₹ 350 (Previous year: ₹ 250) have been pledged with bank for availing bank guarantees.

44 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees. On the same lines, certain costs expended by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 28 and 29 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

- 45 Brokerage income is disclosed net of related (i) sub-brokerage expenses ₹ 500.16 (Previous year: ₹ 421.88); and (iii) stock exchange expenses ₹ (2.04) (Previous year: ₹ (7.31)).



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

- 46 Segment wise disclosure for Revenues received for Insurance intermediation and other income from Insurers as per Regulation 31 (2) of Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015:

Particulars	March 31, 2020	March 31, 2019
Edelweiss Tokio Life Insurance Company Limited		
Brokerage commission earned from	1.70	0.56
Commission earned on selling life insurance policies	37.49	33.32
Edelweiss General Insurance Company Limited		
Commission earned on selling general insurance policies	0.36	0.03
Rent and related cost recovery	2.76	0.21

- 47 Details of dues to Micro enterprises and Small enterprises

Trade Payables includes ₹ Nil (Previous year: ₹ 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.



Edelweiss Broking Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2020

(Currency: Indian rupees in millions)

48 Previous year comparatives

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

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W



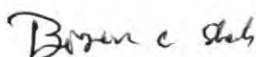
Haridas Bhat

Partner

Membership No: 039070



For and on behalf of the Board of Directors



Biren Shah

Executive Director

DIN : 01258542



Prashant Mody

Non-executive Director

DIN : 03101048



Viral Thanawala

Chief Financial Officer

Mumbai

June 25, 2020



Brijmohan Bohra

Company Secretary

Mumbai

June 25, 2020