

## INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Securities Limited

Report on the Audit of the standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Edelweiss Securities Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone 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 standalone financial statements give the information required by the Companies Act, 2013, as amended ("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 profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone 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 standalone 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 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 standalone financial statements.

### Emphasis of matter

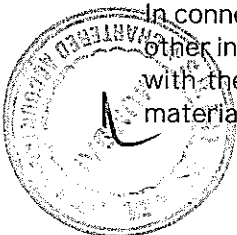
We draw attention to Note 2.56 of the accompanying standalone financial statements which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the carrying value of its assets as at March 31, 2020 and the operations of the Company. Our opinion is not modified in respect of this matter.

### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

#### Responsibility of Management for the standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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.

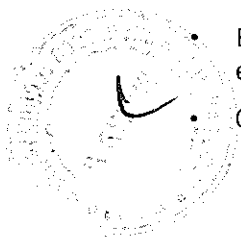
The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 SA 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 with reference to financial statements 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.

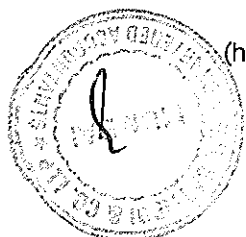
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

#### 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 1" 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 standalone 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 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 standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" 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:

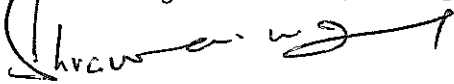


# **S.R. BATLIBOI & Co. LLP**

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- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 2.38 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

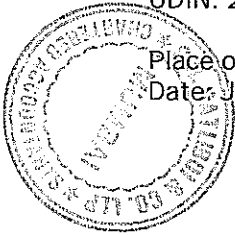
For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005



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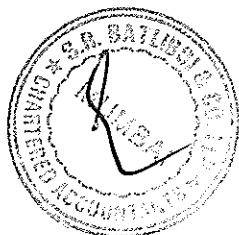
per Shrawan Jalan  
Partner  
Membership Number: 102102  
UDIN: 20102102AAAAHQ2485

Place of Signature: Mumbai  
Date: July 03, 2020



Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of sections 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) As informed, the provisions of sales tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, goods and service tax, custom duty, excise duty, value added tax, stamp duty and cess on account of any dispute, are as follows:



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Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Forum where the dispute is pending
		(Rs In Mn)		
The Bombay Stamp Act, 1958	Stamp Duty	23.27	FY 2004-05 to FY 2006-07	Maharashtra State Government
Finance Act, 1994	Service Tax	361.30*	FY 2013 to FY 2014-15	Appellate Tribunal
Income tax Act ,1961	Income Tax	209.84	AY 2005-06 to AY 2008-09, AY 2010-11 to AY 2012-13	Honorable High Court
Income tax Act ,1961	Income Tax	3.23	AY 2009-10	CIT (Appeals)
Income tax Act ,1961	Income Tax	6.45#	AY 2017-18	CIT (Appeals)

\*Amount paid under protest Rs 15.8 Mn

#Amount paid under protest Rs 1.3 Mn

As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

As informed, the Company has not taken any loans or borrowings from the government or has issued any debentures.

- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.

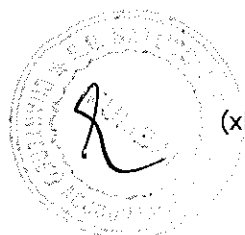
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company, by the officers and employees of the Company has been noticed or reported during the year.

- (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, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

- (xiii) According to the information and explanations given by the management, 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 notes to the standalone financial statements, as required by the applicable accounting standards.

- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in



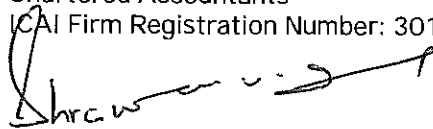
# S.R. BATLIBOI & Co. LLP

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respect of the preferential allotment or private placement of shares/ fully or partly convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

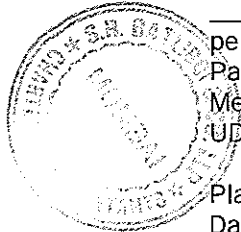
For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005



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per Shrawan Jalan  
Partner  
Membership Number: 102102  
UDIN: 20102102AAAAHQ2485

Place of Signature: Mumbai  
Date: July 03, 2020



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF EDELWEISS SECURITIES LIMITED**

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

We have audited the internal financial controls over financial reporting of Edelweiss Securities Limited ("the Company") as of March 31, 2020, in conjunction with our audit of the standalone 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. 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 the 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements**

A Company's internal financial control over financial reporting with reference to these standalone financial statements 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 with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and





## **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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 With Reference to these Standalone Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, 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 with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

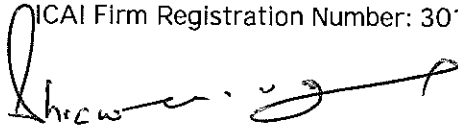
### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements 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 S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 20102102AAAAHQ2485

Place of Signature: Mumbai

Date: July 03, 2020



**Edelweiss Securities Limited**

**Standalone Balance Sheet**

(Currency : Indian rupees in millions)

	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	2.1	536.39	635.35
(b) Bank balances other than cash and cash equivalents	2.2	3,277.79	5,199.64
(c) Stock in trade		0.13	0.13
(d) Receivables			
Trade receivables	2.3	480.43	8,656.10
(e) Loans	2.4	447.39	0.31
(f) Investments	2.5	5,469.85	2,888.89
(g) Other financial assets	2.6	1,010.56	685.83
		<u>11,222.54</u>	<u>18,066.25</u>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	2.7	202.74	817.20
(b) Deferred tax assets (net)	2.8	-	31.79
(c) Property, Plant and Equipment	2.9	900.93	261.73
(d) Capital work in progress		-	18.03
(e) Intangible assets under development		4.41	3.40
(f) Other Intangible assets	2.10	21.45	36.63
(g) Other non- financial assets	2.11	42.61	86.99
		<u>1,172.14</u>	<u>1,255.77</u>
<b>TOTAL ASSETS</b>		<u><b>12,394.68</b></u>	<u><b>19,322.02</b></u>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Payables			
(i) Trade payables	2.12		
(i) total outstanding dues of micro enterprises and small enterprises:		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		907.96	1,536.61
(b) Borrowings (other than debt securities)	2.13	3,763.00	5,234.95
(c) Subordinated Liabilities	2.14	2,988.83	-
(d) Other financial liabilities	2.15	197.67	8,569.65
		<u>7,857.46</u>	<u>15,341.21</u>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities (net)	2.16	43.21	7.73
(b) Provisions	2.17	16.90	13.00
(c) Deferred tax liabilities (net)	2.8	127.46	-
(d) Other non-financial liabilities	2.18	196.53	155.97
		<u>384.10</u>	<u>176.70</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	2.19	262.14	262.14
(b) Other equity	2.20	3,890.98	3,541.97
		<u>4,153.12</u>	<u>3,804.11</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>12,394.68</b></u>	<u><b>19,322.02</b></u>

The accompanying notes are an integral part of the financial statements:

1 & 2

As per our report of even date attached

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number:301003E/E300005

Shrawan Jalan  
Partner  
Membership No:102102

Mumbai  
July 03, 2020

For and on behalf of the Board of Directors

Atul Bapna  
Executive Director  
DIN :07376744

Sandesh Sawant  
Chief Financial Officer

Mumbai  
July 03, 2020

Shiv Sehgal  
Executive Director  
DIN:07112524

Tarun Khurana  
Company Secretary



## Edelweiss Securities Limited

### Standalone 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
<b>Revenue from operations</b>			
Fee and commission income	2.21	2,499.14	2,583.93
Interest income	2.22	622.02	818.93
Dividend income	2.23	158.54	652.73
Rental income	2.24	0.87	7.37
Net gain on sale of investment	2.28	0.42	-
<b>Total Revenue from operations</b>		<b>3,280.99</b>	<b>4,062.96</b>
<b>Other income</b>	2.25	<b>204.06</b>	<b>40.41</b>
<b>Total Revenue</b>		<b>3,485.05</b>	<b>4,103.37</b>
<b>Expenses</b>			
Employee benefits expense	2.26	802.40	1,190.90
Finance costs	2.27	751.96	813.69
Net loss on sale of investment	2.28	-	256.16
Impairment on financial instruments	2.29	51.16	(8.79)
Depreciation, amortisation and impairment	2.9 & 2.10	102.00	61.27
Other expenses	2.30	975.90	879.99
<b>Total expenses</b>		<b>2,683.42</b>	<b>3,193.22</b>
<b>Profit before tax</b>		<b>801.63</b>	<b>910.15</b>
Tax expenses:			
(1) Current tax		235.64	59.76
(2) Deferred tax		(53.65)	55.92
<b>Profit for the year</b>		<b>619.64</b>	<b>794.47</b>
<b>Other Comprehensive Income</b>			
<b>(a) Items that will not be reclassified to profit or loss</b>			
Remeasurement loss on defined benefit plans - gratuity (OCI)		(5.13)	(2.63)
Fair value gain on revaluation of assets (net of tax) (refer note 2.9)		316.16	-
<b>Other Comprehensive Income</b>		<b>311.03</b>	<b>(2.63)</b>
<b>Total Comprehensive Income</b>		<b>930.67</b>	<b>791.84</b>
<b>Earnings per equity share (Face value of ₹ 10 each):</b>			
(1) Basic		23.64	30.31
(2) Diluted	2.32	23.64	30.31

The accompanying notes are an integral part of the financial statements

1 & 2

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005

*Shrawan Jalan*

Shrawan Jalan  
Partner

Membership No:102102



For and on behalf of the Board of Directors

*Atul Bapna*

Atul Bapna  
Executive Director  
DIN : 07376744

*Shiv Sehgal*

Shiv Sehgal  
Executive Director  
DIN:07112524

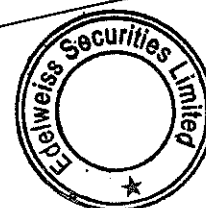
*Sandesh Sawant*

Sandesh Sawant  
Chief Financial Officer

Mumbai  
July 03, 2020

*Tarun Khurana*

Tarun Khurana  
Company Secretary



**Edelweiss Securities Limited**

**Standalone statement of changes in Equity**

(Currency : Indian rupees in millions)

**Equity share capital**

Balance at the beginning of the reporting period (1 April 2018)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2019)
262.14	-	262.14

**Equity share capital**

Balance at the beginning of the reporting period (1 April 2019)	Changes in equity share capital *	Balance at the end of the reporting period (31 March 2020)
262.14	0.00	262.14

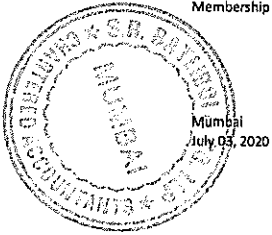
\* Amount is less than ₹ 0.01 million

**Other Equity**

	Reserves and Surplus					Total
	Capital Redemption	Securities Premium Account	Deemed capital contribution - ESOP	General reserve	Retained earnings	
Balance at 31 March 2018	2.70	807.38	138.30	109.41	3,143.91	4,201.70
DTA on ESOP	-	-	-	-	(372.03)	(372.03)
Profit or loss	-	-	-	-	794.47	794.47
Other comprehensive income - defined benefits plan - gratuity	-	-	-	-	(2.63)	(2.63)
Total Comprehensive Income for the year	-	-	-	-	419.81	419.81
Dividends to shareholders	-	-	-	-	(1,006.61)	(1,006.61)
Dividend distribution tax	-	-	-	-	(72.93)	(72.93)
Balance at 31 March 2019	2.70	807.38	138.30	109.41	2,484.18	3,541.97
Transition impact of Ind AS 116 (net of tax)	-	-	-	-	(13.65)	(13.65)
Profit or loss	-	-	-	-	619.64	619.64
Other comprehensive income - defined benefits plan - gratuity	-	-	-	-	(5.13)	(5.13)
Other comprehensive income - revaluation of assets	-	-	-	-	316.16	316.16
Total Comprehensive Income for the year	-	-	-	-	917.02	917.02
Dividends to shareholders	-	-	-	-	(498.06)	(498.06)
Dividend distribution tax	-	-	-	-	(70.17)	(70.17)
Issue of equity instruments	-	0.22	-	-	-	0.22
Balance at 31 March 2020	2.70	807.60	138.30	109.41	2,832.97	3,890.98

For S.R. Batlibol & Co, LLP  
Chartered Accountants  
ICAI Firm Registration Number:301003E/E300005

Shrawan Jalan  
Partner  
Membership No:102102

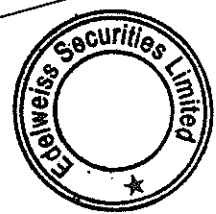


For and on behalf of the Board of Directors

Atul Bapna  
Executive Director  
DIN :07376744  
Vandesh Sawant  
Chief Financial Offi

Shiv Sehgal  
Executive Director  
DIN:07112524  
Rajin Khurana  
Company Secretary

Mumbai  
July 03, 2020

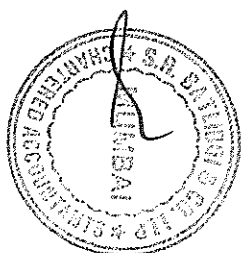


**Edelweiss Securities Limited**

**Standalone Cash Flow Statement**

(Currency : Indian rupees in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A Cash flow from operating activities</b>		
Profit before tax	801.63	910.15
Adjustments for		
Depreciation / amortisation	102.00	61.27
Provision for expected credit loss	(7.75)	(22.55)
Profit on sale of fixed assets	(2.95)	(1.08)
(Profit) / loss on sale of long term investment	(0.13)	247.76
Profit on sale of short term investment	-	(1.07)
Dividend income	(158.54)	(652.73)
Interest expense	620.87	675.83
Impairment of investment	50.72	-
Fairvalue Investment P&L	-	3.56
Interest income on Investments	(110.50)	(102.92)
Interest expenses on lease liabilities	14.11	-
Interest expense on preference shares	103.67	-
<b>Operating cash flow before working capital changes</b>	<b>1,413.12</b>	<b>1,118.22</b>
(Less) / Add : Adjustments for working capital changes		
Decrease / (increase) in trade receivables	8,183.42	(8,272.15)
(Increase) / decrease in loans	(447.08)	0.43
Decrease in other financial assets	1,597.12	692.18
Decrease / (increase) in other non - financial assets	44.38	(18.83)
(Decrease) / increase in liabilities and provisions	(9,069.96)	6,286.47
<b>Cash generated / (used in) from operations</b>	<b>1,721.01</b>	<b>(193.68)</b>
Income taxes (refunds) / paid (net)	(464.72)	12.92
<b>Net cash generated / (used in) from operating activities - A</b>	<b>2,185.73</b>	<b>(206.60)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(115.86)	(76.67)
Sale of fixed assets	6.46	7.07
Purchase of long term investments	(2,967.58)	-
Sale of long term investments	446.52	43.11
Sale of current investments	-	481.07
Dividend on long term investment	158.54	652.73
<b>Net cash (used in) / generated investing activities - B</b>	<b>(2,471.91)</b>	<b>1,107.31</b>
<b>C Cash flow from financing activities</b>		
Proceeds from equity shares	0.22	-
Proceeds from preference shares	2,885.16	-
(Repayment of) / proceeds from loan from group companies (refer note 1)	(2,019.55)	940.49
Repayment of / (proceeds from) bank overdraft (refer note 2)	(591.81)	277.79
Proceeds from working capital demand loan	12,496.86	490.00
Repayment of working capital demand loan	(11,324.14)	(490.00)
Interest paid on loans	(654.23)	(644.48)
Interest paid on lease	(37.06)	-
Dividend paid on equity shares	(498.06)	(1,006.61)
Dividend distribution tax paid	(70.17)	(72.93)
<b>Net cash generated / (used in) from financing activities - C</b>	<b>187.22</b>	<b>(505.74)</b>



## Edelweiss Securities Limited

### Standalone Cash Flow Statement (Continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Net (decrease) / increase in cash and cash equivalents (A+B+C)	<u>(98.96)</u>	<u>394.97</u>
Cash and cash equivalent as at the beginning of the year	635.35	240.38
Cash and cash equivalent as at the end of the year	536.39	635.35

#### Notes:

- 1 Cash receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
- 2 Net figures have been reported on account of volume of transactions.
- 3 Component of cash and cash equivalents.

#### Cash and Cash equivalents

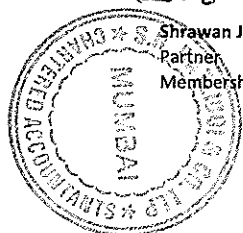
Cash in hand	0.27	0.24
Balances with banks		
- in Current accounts	<u>536.12</u>	<u>635.11</u>
	536.39	635.35

- 4 The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statements" specified under Section 133 of Companies Act ,2013 read with Paragraph 7 of the Companies (Accounts) Rules,2014.
- 5 Purchase of tangible and intangible assets includes movement of Capital Work-in-progress and capital expenditure during the year.

As per our report of even date attached

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number:301003E/E300005

Shrawan Jalan  
Partner  
Membership No:102102

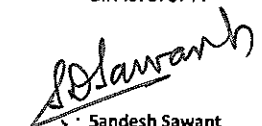


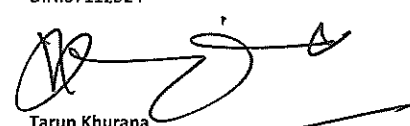
Mumbai  
July 03, 2020

For and on behalf of the Board of Directors

  
Atul Bapna  
Executive Director  
DIN :07376744

  
Shiv Sehgal  
Executive Director  
DIN:07112524

  
Sandesh Sawant  
Chief Financial Officer

  
Tarun Khurana  
Company Secretary

Mumbai  
July 03, 2020



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1. Significant accounting policies

#### 1.1 Company background

Edelweiss Securities Limited ('the Company') was incorporated on 20 August 1993. The Company is a 100% subsidiary of Edelweiss Financial Services Limited.

The Company is registered as a trading and clearing member with National Stock Exchange of India Limited ('NSEIL') and BSE Limited ('BSE') and Metropolitan Stock Exchange of India Limited ('MSEI') and provides broking services to its clients. The Company is also registered as a repository participant with National E-Repository Limited ('NERL'). The Company is also acting as distributor for Mutual Funds.

The Company is a broker with recognized stock exchanges. Also providing research services and acting as a syndicate member for distribution of IPO's.

Company invests in fixed deposits, mutual funds & other highly liquid callable instruments as part of its treasury activities.

#### 1.2 Basis of preparation of standalone financial statements

The standalone financial statements have 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).

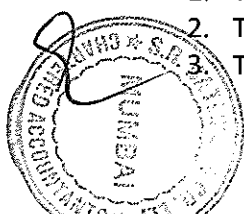
The Company's standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value. All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirements of Schedule III, unless otherwise stated.

#### 1.3 Presentation of standalone financial statements

The Company presents its standalone 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 2.36.

Financial assets and financial liabilities are generally reported gross in the standalone 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:

1. The normal course of business
2. The event of default
3. The event of insolvency or bankruptcy of the Group and/or its counterparties



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

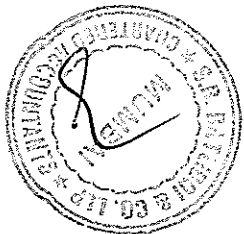
for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.4 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

- i) Identification of contract(s) with customers;
  - ii) Identification of the separate performance obligations in the contract;
  - iii) Determination of transaction price;
  - iv) Allocation of transaction price to the separate performance obligations; and
  - v) Recognition of revenue when (or as) each performance obligation is satisfied
- Brokerage income is recognised as per contracted rates at the point in time when transactions performance obligation is satisfies on behalf of the customers on the trade date and is reflected net of related stock exchange expenses, goods and service tax and security transaction tax.
  - Fee income is accounted for, on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty and is reflected net of related sub-brokerage/commission expenses.
  - Income from treasury operations comprises of profit/loss on sale of securities, profit/loss on equity and currency derivative instruments.
    - i) Profit/ loss on sale of securities are determined based on the weighted average cost of the securities sold.
    - ii) Realised profit/ loss on closed positions of all derivative instruments is recognised on final settlement on squaring-up of the contracts. All outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, market intermediary quotes, valuation techniques are used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
  - Research services fee income is accounted when there is reasonable certainty as to its receipts.
  - Interest income is recognised on accrual basis.
  - Dividend income is recognised when the right to receive payment is established.
  - Profit/loss on sale of investment is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost or fair value of the investments sold.





# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.5 Financial Instruments

#### Date of recognition

Financial assets and financial liabilities 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.

#### 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.

#### Day 1 profit or loss

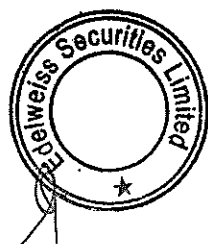
When the transaction price of the financial instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on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

#### Classification of financial instruments

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:

#### Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset 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. The changes in carrying value of financial assets is recognised in profit and loss account.



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.5 Financial Instruments (*Continued*)

#### Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling 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. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

#### Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting date. The changes in fair value of financial assets is recognised in Profit and loss account.

#### Amortized cost and effective interest rate (EIR)

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

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

#### Amortized cost and effective interest rate (EIR)

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

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



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.5 Financial Instruments (*Continued*)

#### Amortized cost and effective interest rate (EIR) (*Continued*)

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.

#### Financial assets held for trading

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

#### Financial assets at fair value through profit or loss

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

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

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



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.5 Financial Instruments (*Continued*)

#### Investment in equity instruments

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

#### Investment in mutual funds

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

#### Financial liabilities

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

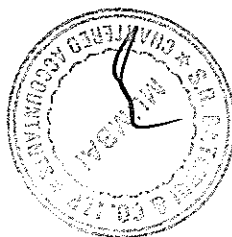
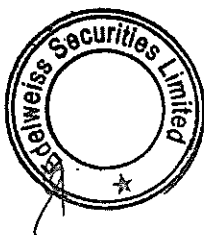
#### Debt securities and other borrowed funds

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.

As per Ind AS 23, The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

#### 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 Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.5 Financial Instruments (*Continued*)

#### Financial liabilities and equity 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 the Company entity are recognised at the proceeds received, net of direct issue costs.

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

#### Reclassification of financial assets and liabilities

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

#### Derecognition of financial assets and financial liabilities

##### Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a 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.

##### Derecognition of financial asset

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

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

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.5 Financial Instruments (*Continued*)

#### Derecognition of financial asset (*Continued*)

- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

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

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

The Company also 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. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

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.

#### Derecognition of financial liabilities

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



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.5 Financial Instruments (*Continued*)

#### Impairment of financial assets

The Company records provisions based on expected credit loss model (“ECL”) on all loans, other debt financial assets measured at amortised cost together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as “Financial instrument”. Equity instruments are not subject to impairment.

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

#### Business model assessment

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

#### Fair value of financial instruments

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

#### Write-offs

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



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.5 Financial Instruments (*Continued*)

#### 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.

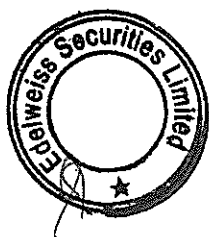
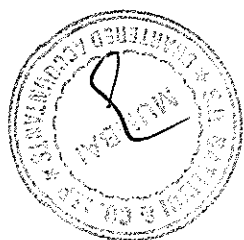
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's 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.





# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.5 Financial Instruments (*Continued*)

#### Determination of fair value (*Continued*)

##### Level 3 financial instruments

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

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates for 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.

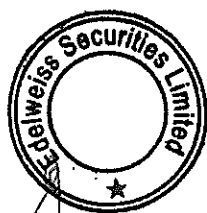
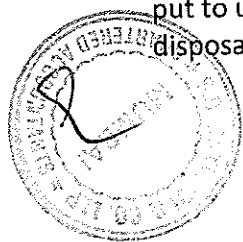
The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.

### 1.6 Property, Plant and Equipment and Capital work in progress

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 cost incurred on an item of property, plant and equipment is recognized in the carrying amount thereof when those cost 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.



# Edelweiss Securities Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.6 Property, Plant and Equipment and Capital work in progress (Continued)

An item of property, plant and equipment is derecognised 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 recognised as assets is derecognised 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 recognised in profit or loss.

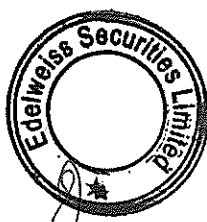
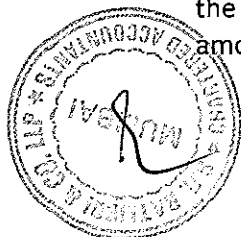
As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the estimated useful lives of the respective fixed assets which are as per the provisions of Part C of Schedule II of the Act for calculating the depreciation.

The estimated useful lives of the fixed assets are as follows:

Class of asset	Useful life
Building (other than factory building)	60 years
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units – End user devices, such as desktops, laptops etc.	3 years

#### Change in accounting policy for land and buildings from 31st March 2020:

Land and buildings are subsequently shown at fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Valuations will be carried out on a regular basis, unless the management consider it appropriate to have an earlier revaluation, such that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.6 Property, Plant and Equipment and Capital work in progress (*Continued*)

#### Subsequent measurement of land and building under revaluation model:

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as a revaluation reserve in shareholders' equity. An exception is a gain on revaluation that reverses a revaluation decrease (impairment) on the same asset previously recognised as an expense. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Right-of-use assets are presented together with property, plant and equipment in the statement of financial position – refer to the accounting policy 1.14. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

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

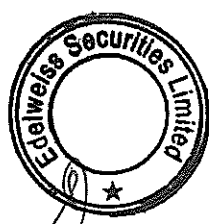
#### Intangible fixed assets

An intangible asset is recognised 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 fixed assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

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

MCX membership rights are amortised over a period of 3 years.



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.6 Property, Plant and Equipment and Capital work in progress (*Continued*)

#### 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.

### 1.7 Stock-in-trade

- a) The securities acquired with the intention of short term holding and trading positions are considered as stock-in-trade.
- b) The securities, including from error trades, held as stock-in-trade are valued at market value.
- c) In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.
- d) Debt instruments held as stock in trade are valued at weighted average cost or realisable value whichever is lower. In case of debt instruments for which direct quotes are not available, they are valued at the lowest of the quotes as on valuation date as provided by market intermediaries.

### 1.8 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at Banks, on hand and short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.

### 1.9 Foreign currency transactions

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company. 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



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.10 Retirement and other employee benefits

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Indian Accounting Standard 19 – Employee benefits, is set out below:

#### ***Provident fund and national pension scheme***

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

#### ***Gratuity***

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

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

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

#### ***Compensated Leave Absences***

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



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.11 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent Group are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. 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 'ESOP reserve'. 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.

### 1.12 Income tax expenses

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

#### Current tax

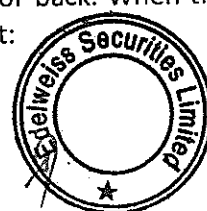
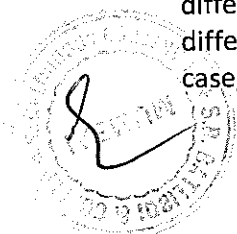
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.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

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone 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:



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.12 Income tax expenses (*Continued*)

#### Deferred tax (*Continued*)

- 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.

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

### 1.13 Goods and Service Tax expenses

During the financial period, the entity avails Input Tax credit('ITC') of GST paid on various expenses incurred. Based on the ratio of Exempted turnover v/s Taxable turnover of the entity, GST Input Tax credit is being expensed off on a monthly basis to GST Expense a/c. Further, ITC on ineligible expenses (on which ITC is restricted under GST law) is also debited to GST Expense.

### 1.14 Leases

#### Accounting policy applicable from 1 April 2019

As described in Note 2.38, 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.



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.14 Leases (*Continued*)

#### Company as a lessee:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right of use assets

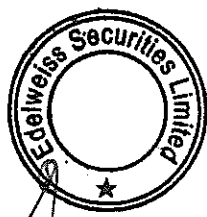
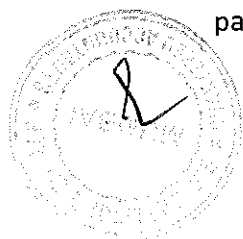
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

#### Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### 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.





# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.14 Leases (*Continued*)

#### Short term lease (*Continued*)

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 standalone 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.

### 1.15 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

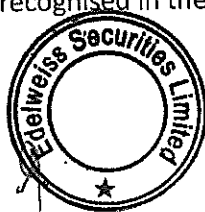
Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year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

### 1.16 Provisions and other contingent liabilities

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

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

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



# Edelweiss Securities Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

### 1.17 Significant accounting judgements, estimates and assumptions

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

#### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- (a) Actuarial assumptions used in calculation of defined benefit plans
- (b) Assumptions used on discounted cash flows, growth rate and discount rate to justify the value of management rights reported under intangible assets.
- (c) Assumptions used in estimating the useful lives of tangible assets reported under property, plant and equipment.

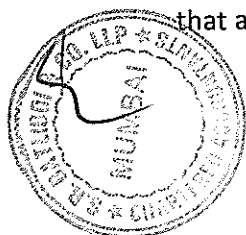
### 1.18 Key sources of estimation uncertainty

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 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 standalone 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.

#### Effective interest rate method

The Company's EIR methodology, as explained in Note 1.5, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of financial instruments and recognises the effect of characteristics of the product life cycle

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



# Edelweiss Securities Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2020

(Currency : Indian rupees in millions)

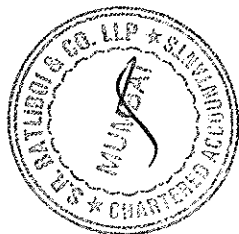
### 1.18 Key sources of estimation uncertainty (Continued)

#### Incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### 1.19 Standards issued but not yet effective

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



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

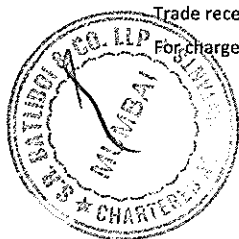
(Currency : Indian rupees in millions)

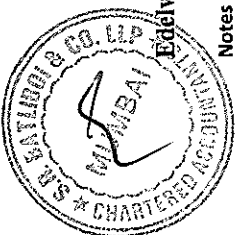
	As at March 31, 2020	As at March 31, 2019
<b>2.1 Cash and cash equivalents</b>		
Cash in hand		
- Cash in hand	0.27	0.24
Balances with banks		
- in current accounts	536.12	635.11
	<u>536.39</u>	<u>635.35</u>
<b>2.2 Bank balances other than cash and cash equivalents</b>		
Fixed deposits with banks	30.92	40.38
Fixed deposits with banks to the extent held as margin money or security against borrowings (refer below note 2.2A)	3,246.87	5,159.26
	<u>3,277.79</u>	<u>5,199.64</u>
Note:		
1. Fixed deposit balances with banks earns interest at fixed rate.		
2. The cash and cash equivalents and Bank balances other than cash and cash equivalents totalling to ₹ 3,814.18 millions, March 31, 2019 ₹ 5,834.99 millions are funded primarily through cash margin received from clients amounting to ₹ 0.79 millions and March 31, 2019 ₹ 1.13 millions respectively (refer note 2.15)		
<b>2.2A Encumbrance's on fixed deposits held by the Company</b>		
<b>i) Pledged with exchanges for meeting margin deposit requirement</b>		
Axis Bank	-	52.50
Bank of India	-	19.80
Federal Bank	2.50	800.00
ICICI Bank Limited	119.90	51.69
IDFC Bank Limited	112.50	-
IndusInd Bank Limited	-	12.40
Karur Vysya Bank	-	1,000.00
Ratnakar Bank Limited	9.88	212.38
State Bank of India	492.17	54.50
	<u>736.95</u>	<u>2,203.27</u>
<b>ii) Pledged with banks for securing bank overdrafts</b>		
Bank of India	1,000.00	1,000.00
ICICI Bank Limited	1,000.00	1,000.00
IndusInd Bank Limited	-	9.90
State Bank of India	509.92	946.09
	<u>2,509.92</u>	<u>2,955.99</u>
	<u>3,246.87</u>	<u>5,159.26</u>
<b>2.3 Trade receivables</b>		
Secured considered good	0.49	224.36
Unsecured considered good	48.03	7,513.91
Receivable which have significant increase in credit risk	440.60	930.08
Receivable - credit impaired	20.67	24.86
	<u>509.79</u>	<u>8,693.21</u>
<b>Impaired Allowance (provision for expected credit loss)</b>		
Unsecured considered good	0.72	0.00
Allowance for expected credit losses	7.97	12.25
Receivable - credit impaired	20.67	24.86
	<u>29.36</u>	<u>37.11</u>
	<u>480.43</u>	<u>8,656.10</u>

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

For charge created on receivables refer note 2.13





**Edelweiss Securities Limited**

**Notes to the standalone financial statements (Continued)**

(Currency : Indian rupees in millions)

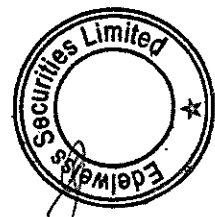
**2.3 Trade receivables (Continued)**

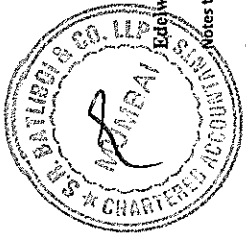
**Reconciliation of impairment allowance on trade receivables:**

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on 31 March 2018	59.55
Add/ (less): asset originated or acquired (net)	(22.54)
Impairment allowance as on 31 March 2019	37.11
Add/ (less): asset originated or acquired (net)	(7.75)
Impairment allowance as on 31 March 2020	29.36

**Provision matrix for Trade receivables**

Trade receivables days past due	Current	1-90days	91-180 days	181- 360 days	more than 360 days	Total
<b>31-Mar-20</b>						
Estimated total gross carrying amount at default	-	477.72	6.59	4.81	20.67	509.79
ECL - Simplified approach	-	(1.93)	(4.61)	(2.15)	(20.67)	(29.36)
<b>Net carrying amount</b>	-	<b>475.79</b>	<b>1.98</b>	<b>2.66</b>	<b>-</b>	<b>480.43</b>
<b>31-Mar-19</b>						
Estimated total gross carrying amount at default	-	8,657.64	9.99	0.66	24.92	8,693.21
ECL - Simplified approach	-	(7.58)	(4.10)	(0.57)	(24.86)	(37.11)
<b>Net carrying amount</b>	-	<b>8,650.06</b>	<b>5.89</b>	<b>0.09</b>	<b>0.06</b>	<b>8,656.10</b>





## Edelweiss Securities Limited

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

### 2.4 Loans (At amortised cost)

Unsecured  
Employee Loans  
Intercorporate deposits placed

	As at March 31, 2020	As at March 31, 2019
	0.87	0.31
	446.52	-
	<u>447.39</u>	<u>0.31</u>

### 2.5 Investments

#### (A) Investment in equity instruments of subsidiaries - Carried at cost

Edelweiss Finance and Investments Limited  
Edelweiss Custodial Services Ltd  
Edelweiss Financial Services Inc  
Edelweiss Securities (Hong Kong) Private Limited  
Edelweiss Financial Services (UK) Limited  
Edelweiss Securities Trading and Management Pvt. Ltd. (Formerly Dahlia Financial Services Pvt Ltd)  
Edelweiss Securities And Investments Private Limited (Formerly Magrolia Financial Services Pvt Limited)  
ESL Securities Limited

	As at March 31, 2020	As at March 31, 2019				
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
	10	5,243,534	2,894.43	-	-	-
	10	6,267,500	714.78	10	6,267,500	714.78
		USD 1.25 million			1	79.67
		HKD 1	119.66		5,818,566	46.61
		GBP 1	26.26		300,000	26.26
	10	156,774	2.00	10	100,000	1.00
	10	10,000	0.10	-	-	-
	10	14,450,000	307.09	10	14,450,000	307.09

#### (B) Investment in equity instruments of associate companies - Carried at cost

Edelweiss Asset Reconstruction Company Limited

#### (C) Investments in equity instruments of other companies - Carried at cost

ECL Finance Limited  
Edelweiss Finvest Private Limited (Formerly Arum investments Pvt Ltd)

#### (D) Investments in preference shares of other companies - Carried at amortised cost

7% Non Cumulative Non Convertible Redeemable Preference Shares of Edelweiss Rural & Corporate Services Limited  
Less : Diminution in value of investments

7% Non Cumulative Non Convertible Redeemable Preference Shares of Edelcap Securities Limited

	10	97,416,683	532.88	10	97,416,683	532.88
	10	1,259,388	69.19	10	1,259,388	69.19
	10	1,000,000	774.51	10	1,000,000	711.12
			50.72			711.12
			<u>723.79</u>			<u>399.29</u>
			<u>5,469.85</u>			<u>2,888.89</u>

#### Total (A + B + C + D)

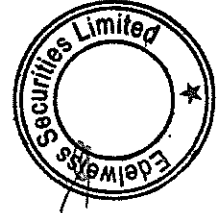
Aggregate value of investments in equity shares (unquoted)

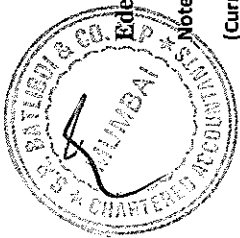
At market value

Aggregate value of investments in preference shares

At amortised cost

	4,745.06	1,778.48
	723.79	1,110.41





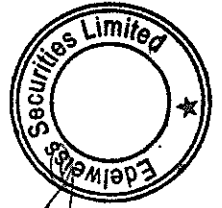
## Edelweiss Securities Limited

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

### 2.5 Investments

Particulars	As at March 31, 2020						
	At Amortised cost (1)	Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)	Subtotal 5 = (2+3+4)	At cost (subsidaries, associates, and joint ventures) (6)	Total 7 = (1+5+6)
<b>(i) Equity Instruments</b>							
<b>a) Subsidiaries - Equity</b>							
Edelweiss Finance and Investments Limited	-	-	-	-	-	2,894.43	2,894.43
Edelweiss Custodial Services Ltd	-	-	-	-	-	714.78	714.78
Edelweiss Financial Services Inc	-	-	-	-	-	79.67	79.67
Edelweiss Securities (Hong Kong) Private Limited	-	-	-	-	-	119.66	119.66
Edelweiss Financial Services (UK) Limited	-	-	-	-	-	26.26	26.26
Edelweiss Securities And Investments Private Limited (Formerly Magnolia Financial Services Pvt Limited)	-	-	-	-	-	2.00	2.00
ESL Securities Limited	-	-	-	-	-	0.10	0.10
<b>b) Associates - Equity</b>							
Edelweiss Asset Reconstruction Company Limited	-	-	-	-	-	307.09	307.09
<b>c) Other group company - Equity</b>							
ECL Finance Limited	-	-	-	-	-	532.88	532.88
Edelweiss Finvest Private Limited (Formerly Arum investments Pvt Ltd)	-	-	-	-	-	69.19	69.19
<b>(ii) Preference shares</b>							
7% Non Cumulative Non Convertible Redeemable Preference Shares of Edelweiss Rural & Corporate Services Limited	774.51	-	-	-	-	-	774.51
<b>Total - Gross (A)</b>	<b>774.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,746.06</b>	<b>5,520.57</b>
Investments outside India	-	-	-	-	-	225.59	225.59
Investment in India	774.51	-	-	-	-	4,520.47	5,294.98
<b>Total - Gross (B)</b>	<b>774.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,746.06</b>	<b>5,520.57</b>
Less: Allowance for impairment (C)	50.72	-	-	-	-	-	50.72
<b>Total Net (A - C)</b>	<b>723.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,746.06</b>	<b>5,469.85</b>





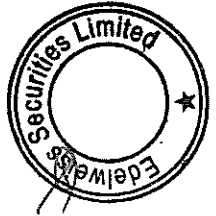
**Edelweiss Securities Limited**

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

**2.5 Investments**

Particulars	As at March 31, 2019						
	At Amortised cost (1)	Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)	Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total 7 = (1+5+6)
<b>(i) Equity instruments</b>							
<b>a) Subsidiaries - Equity</b>							
Edelweiss Custodial Services Ltd	-	-	-	-	-	714.78	714.78
Edelweiss Financial Services Inc	-	-	-	-	-	79.67	79.67
Edelweiss Securities (Hong Kong) Private Limited	-	-	-	-	-	46.61	46.61
Edelweiss Financial Services (UK) Limited	-	-	-	-	-	26.26	26.26
Edelweiss Securities Trading and Management Pvt. Ltd. (Formerly Dahlia Financial Services Pvt Ltd)	-	-	-	-	-	1.00	1.00
Edelweiss Securities And Investments Private Limited (Formerly Magnolia Financial Services Pvt Limited)	-	-	-	-	-	1.00	1.00
<b>b) Associates - Equity</b>							
Edelweiss Asset Reconstruction Company Limited	-	-	-	-	-	307.09	307.09
<b>c) Other group company - Equity</b>							
ECL Finance Limited	-	-	-	-	-	532.88	532.88
Edelweiss Finvest Private Limited (Formerly Arum Investments Pvt Ltd)	-	-	-	-	-	69.19	69.19
<b>(ii) Preference shares</b>							
7% Non Cumulative Non Convertible Redeemable Preference Shares of Edelweiss Rural & Corporate Services Limited	711.12	-	-	-	-	-	711.12
7% Non Cumulative Non Convertible Redeemable Preference Shares of Edelcap Securities Limited	399.29	-	-	-	-	-	399.29
<b>Total - Gross (A)</b>	<b>1,110.41</b>	-	-	-	-	<b>1,778.48</b>	<b>2,888.89</b>
Investments outside India	-	-	-	-	-	152.54	152.54
Investment in India	1,110.41	-	-	-	-	1,625.94	2,736.35
<b>Total - Gross (B)</b>	<b>1,110.41</b>	-	-	-	-	<b>1,778.48</b>	<b>2,888.89</b>
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
<b>Total Net (A - C)</b>	<b>1,110.41</b>	-	-	-	-	<b>1,778.48</b>	<b>2,888.89</b>



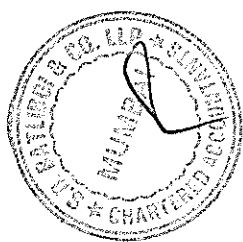


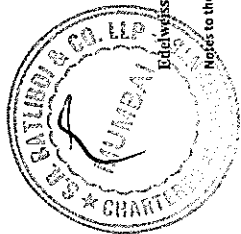
## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2020	As at March 31, 2019
<b>2.6 Other financial assets</b>		
Security Deposits	28.09	34.92
Deposits placed with/ for exchange/ depositories	185.22	46.86
Receivable from exchange /clearing house (net)	797.25	604.05
	<u>1,010.56</u>	<u>685.83</u>
<b>2.7 Current tax assets (net)</b>		
Advance income taxes	202.74	817.20
(net of provisions for tax ₹ 290.71 millions, March 31, 2019 ₹ 1,051.89 millions)	<u>202.74</u>	<u>817.20</u>
<b>2.8 Deferred tax (liabilities) / assets (net)</b>		
<b>Deferred tax assets</b>		
<u>Loans</u>		
Provision for non-performing, restructured and doubtful advances - ECL provision	10.26	10.22
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	1.81	7.11
<u>Investments and other financial instruments</u>		
Provision for Diminution in value of current investments	17.72	-
Fair valuation of investments and stock-in-trade - loss in valuation	-	0.06
<u>Employee benefit obligations</u>		
Provision for leave accumulation	4.40	4.54
Disallowances under section 43B of the Income Tax Act, 1961	-	3.92
<u>Unused tax credit</u>		
MAT credit entitlement (current)	-	5.94
<u>Unused tax losses</u>		
Others	8.17	-
(A)	<u>42.36</u>	<u>31.79</u>
<b>Deferred tax liabilities</b>		
<u>Property, plant and equipment and intangibles</u>		
Revaluation of Property, plant, equipment	169.82	-
(B)	<u>169.82</u>	<u>-</u>
(A - B)	<u>(127.46)</u>	<u>31.79</u>





**Edelweiss Securities Limited**

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

**2.9 Property, Plant and Equipment**

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block As at March 31, 2020				
	As at April 01, 2019	Transition Impact of Ind AS 116	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 01, 2019	Transition Impact of Ind AS 116	Charge for the year		Disposals during the year	Adjustment of revaluation gains to accumulated depreciation	As at March 31, 2020	Revaluation adjustment if any
Property, Plant and Equipment													
Building *	205.96	-	-	-	205.96	20.08	-	9.29	-	29.37	-	456.60	662.56
Leasehold Improvements	5.45	-	16.29	2.47	19.27	3.61	-	4.87	2.47	-	6.01	-	13.26
Furniture and Fixtures	2.85	-	3.64	1.38	5.11	1.22	-	1.12	1.13	-	1.21	-	3.90
Vehicles	14.37	-	2.55	6.57	10.35	7.57	-	1.82	3.99	-	5.40	-	4.95
Office equipment	3.47	-	6.76	3.76	6.47	1.40	-	3.68	3.64	-	1.44	-	5.03
Computers	122.80	-	100.26	7.21	215.85	59.28	-	36.67	6.64	-	89.31	-	126.54
Right of Use	-	110.67	-	-	110.67	-	25.98	-	-	-	25.98	-	84.69
<b>Total</b>	<b>354.90</b>	<b>110.67</b>	<b>129.50</b>	<b>21.39</b>	<b>573.68</b>	<b>91.16</b>	<b>25.98</b>	<b>57.45</b>	<b>17.87</b>	<b>25.37</b>	<b>129.35</b>	<b>456.60</b>	<b>900.93</b>

**2.10 Other Intangible Assets**

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block As at March 31, 2020				
	As at April 01, 2019	Transition Impact of Ind AS 116	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 01, 2019	Transition Impact of Ind AS 116	Charge for the year		Disposals during the year	Adjustment of revaluation gains to accumulated depreciation	As at March 31, 2020	Revaluation adjustment if any
Other Intangible Assets													
Software	63.00	-	3.38	-	66.38	26.36	-	18.57	-	-	44.93	-	21.45
<b>Total</b>	<b>63.00</b>	<b>-</b>	<b>3.38</b>	<b>-</b>	<b>66.38</b>	<b>26.36</b>	<b>-</b>	<b>18.57</b>	<b>-</b>	<b>-</b>	<b>44.93</b>	<b>-</b>	<b>21.45</b>

\* The Company decided to move to revaluation model from cost model for accounting a class of asset (i.e. building) as at 31st March 2020. The management approved revaluation of owned buildings classified under property plant and equipment after assessing the valuation made by duly appointed independent valuer. These valuations were determined basis open market values of similar property and its intrinsic value. The Management approved this valuation at ₹ 662.56 million. Had it continued to account on historical cost less depreciation basis, the carrying value of buildings would have been ₹ 176.56 million. The Company has recognised revaluation gain of Rs. 485.98 million and deferred tax liability on it of Rs. 169.82 million through Other Comprehensive Income. The amount Rs. 456.60 million shown in column "Revaluation adjustment if any" is net of accumulated depreciation amounting to Rs. 29.37 million.



(Currency : Indian rupees in millions)

## 2.9 Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment				Net Block			
	As at April 01, 2018	Transition Impact of Ind AS 116	As at March 31, 2019	As at April 01, 2018	Transition Impact of Ind AS 116	For the year	Oeductions during the year	Adjustment of revaluation gains to accumulated depreciation	As at March 31, 2019	Revaluation adjustment if any	As at March 31, 2019
Property, Plant and Equipment											
Building	205.96	-	205.96	10.30	-	9.78	-	-	20.08	-	185.88
Leasehold improvements	6.09	-	5.45	3.68	-	1.27	1.34	-	3.61	-	1.84
Furniture and Fixtures	2.67	-	2.85	0.72	-	0.55	0.04	-	1.23	-	1.62
Vehicles	20.72	-	14.37	6.46	-	3.66	2.55	-	7.57	-	6.80
Office equipment	4.51	-	3.47	1.84	-	(0.40)	0.03	-	1.40	-	2.06
Computers	80.93	-	122.80	31.92	-	28.98	1.63	-	59.27	-	63.53
<b>Total</b>	<b>320.88</b>	<b>-</b>	<b>354.90</b>	<b>54.92</b>	<b>-</b>	<b>43.84</b>	<b>5.59</b>	<b>-</b>	<b>93.16</b>	<b>-</b>	<b>261.73</b>

## 2.10 Other Intangible Assets

Description of Assets	Gross Block			Accumulated Depreciation and Impairment				Net Block			
	As at April 01, 2018	Transition Impact of Ind AS 116	As at March 31, 2019	As at April 01, 2018	Transition Impact of Ind AS 116	For the year	Deductions during the year	Adjustment of revaluation gains to accumulated depreciation	As at March 31, 2019	Revaluation adjustment if any	As at March 31, 2019
Intangible assets											
Computer software	52.64	-	63.00	8.94	-	17.43	-	-	26.37	-	36.63
<b>Total</b>	<b>52.64</b>	<b>-</b>	<b>63.00</b>	<b>8.94</b>	<b>-</b>	<b>17.43</b>	<b>-</b>	<b>-</b>	<b>26.37</b>	<b>-</b>	<b>36.63</b>

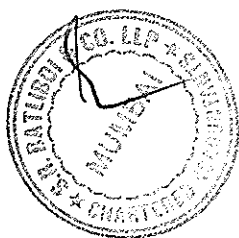
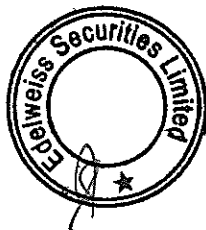


## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2020	As at March 31, 2019
<b>2.11 Other non-financial assets</b>		
(Unsecured Considered good, unless stated otherwise)		
Input tax credit	3.44	47.60
Other deposits	6.10	6.08
Contribution to gratuity fund (net)	-	3.80
Vendor Advances	12.11	2.61
Advances recoverable in cash or in kind or for value to be received	20.95	26.61
Employee Advances	0.01	0.29
	42.61	86.99
<b>2.12 Trade Payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 2.53)	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	907.96	1,536.61
	907.96	1,536.61
<b>2.13 Short-term borrowings</b>		
Interest accrued and due on borrowings	2.80	36.12
<u>Secured</u>		
Bank overdraft	2,673.14	1,908.14
[Secured by way of lien on fixed deposit (refer note 2.2A (ii), further an amount of Rs. 172.71 million secured by way of charge on receivables)]		
<u>Unsecured</u>		
Loan from related parties	8.47	2,028.01
(Repayable on demand, at variable rate of interest payable @ 11.60% to 11.75% p.a. for March-20, 9.30% to 9.50% p.a. for March-19)		
Bank overdraft	1,078.59	1,262.68
	3,763.00	5,234.95



## Edelweiss Securities Limited

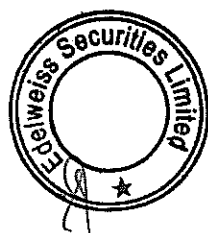
Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

### 2.13. Borrowings (other than debt securities) at amortised cost

Particulars	31st March 2020			
	At Amortised cost (1)	Fair value		Subtotal 4 = (1+2+3)
		Through P&L (2)	Designated at fair value through Profit and loss (3)	
<b>Secured</b>				
(a) Other loans				-
(i) from banks (OD)	1,500.43			1,500.43
(ii) from banks (WC DL)	1,172.71	-	-	1,172.71
<b>TOTAL - Gross (A)</b>	<b>2,673.14</b>	<b>-</b>	<b>-</b>	<b>2,673.14</b>
<b>Unsecured</b>				
(a) Loans from related parties	10.84	-	-	10.84
(b) Loans repayable on demand				-
(i) from banks (OD)	1,079.02	-	-	1,079.02
<b>TOTAL - Gross (B)</b>	<b>1,089.86</b>	<b>-</b>	<b>-</b>	<b>1,089.86</b>
<b>Total (A+B)</b>	<b>3,763.00</b>	<b>-</b>	<b>-</b>	<b>3,763.00</b>
(i) Borrowings outside India	-	-	-	-
(ii) Borrowings in India	3,763.00	-	-	3,763.00
<b>Total (C)</b>	<b>3,763.00</b>	<b>-</b>	<b>-</b>	<b>3,763.00</b>

Particulars	31st March 2019			
	At Amortised cost (1)	Fair value		Subtotal 4 = (1+2+3)
		Through P&L (2)	Designated at fair value through Profit and loss (3)	
<b>Secured</b>				
(a) Other loans				
(i) from banks (OD)	1,908.14	-	-	1,908.14
<b>TOTAL - Gross (A)</b>	<b>1,908.14</b>	<b>-</b>	<b>-</b>	<b>1,908.14</b>
<b>Unsecured</b>				
(a) Loans from related parties	2,064.13	-	-	2,064.13
(b) Loans repayable on demand				-
(i) from banks (OD)	1,262.68	-	-	1,262.68
<b>TOTAL - Gross (B)</b>	<b>3,326.81</b>	<b>-</b>	<b>-</b>	<b>3,326.81</b>
<b>Total (A+B)</b>	<b>5,234.95</b>	<b>-</b>	<b>-</b>	<b>5,234.95</b>
(i) Borrowings outside India	-	-	-	-
(ii) Borrowings in India	5,234.95	-	-	5,234.95
<b>Total (C)</b>	<b>5,234.95</b>	<b>-</b>	<b>-</b>	<b>5,234.95</b>



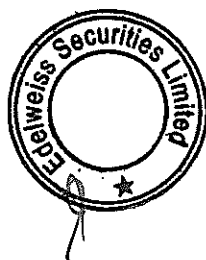
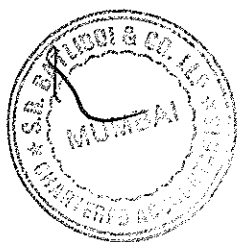
## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2020	As at March 31, 2019
<b>2.14 Subordinated Liabilities</b>		
Preference Shares Capital at amortised cost	2,988.83	-
	<u>2,988.83</u>	<u>-</u>
<b>2.14A Maturity profile and rate of interest of subordinated liabilities are set out below:</b>		
Rate of Interest		
9.00% (period 1 to 3 year)	2,944.05	-
Accrued Interest and EIR *	44.78	-
* net of incidental cost ₹ 58.88 million	<u>2,988.83</u>	<u>-</u>
<b>2.15 Other financial liabilities</b>		
Margin money		
Payable to client (net) (in CM books) (Deployed in the form of bank balances and fixed deposits amounting to ₹ 3,814.18 millions, March 31, 2019 ₹ 5,834.99 millions)	0.79	1.13
Others		
Book overdraft	0.47	2.00
Accrued salaries and benefits	4.08	218.56
Payable to exchange / clearing house (net)	83.56	8,347.90
Deposits from sub-brokers	0.06	0.06
Lease Liability	108.71	-
	<u>197.67</u>	<u>8,569.65</u>
<b>2.16 Current tax liabilities (net)</b>		
Provision for taxation	43.21	7.73
	<u>43.21</u>	<u>7.73</u>
<b>2.17 Provisions</b>		
Compensated leave absences	10.51	10.74
Gratuity short term	4.30	-
Compensated absences short term	2.09	2.26
	<u>16.90</u>	<u>13.00</u>
<b>2.18 Other non-financial liabilities</b>		
Revenue received in advance		
Income received in advance	8.01	10.90
Others		
Statutory liabilities*	140.01	95.54
Others	48.51	49.53
	<u>196.53</u>	<u>155.97</u>

\* Includes withholding taxes, other taxes payable



**Edelweiss Securities Limited**

Notes to the standalone financial statements (Continued)

(Currency: Indian rupees in millions)

**2.19 Equity share capital**

Authorized:  
799,540,000 (Previous year: 27,540,000) equity shares of ₹ 10 each  
460,000 (Previous year: 460,000) preference shares of ₹ 10 each  
12,000,000 (Previous year: Nil) preference shares of ₹ 1000 each

Issued, Subscribed and Paid up:  
26,213,876 (Previous year: 26,213,876) equity shares of ₹ 10 each, fully paid-up

**a. Movement in share capital:**

Outstanding at the beginning of the year  
Shares issued during the year\*  
Outstanding at the end of the year

\* Amount is less than ₹ 0.01 million  
Shares held by holding/ultimate holding company and/or their subsidiaries/ associates

Edelweiss Financial Services Limited, the holding company

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

Edelweiss Financial Services Limited and its nominees

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.

As at  
March 31, 2020

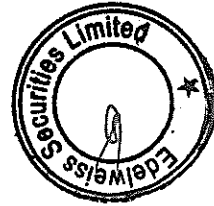
As at  
March 31, 2019

	7,995.40	275.40
	4.60	4.60
	12,000.00	-
	<u>20,000.00</u>	<u>280.00</u>
	262.14	262.14
	<u>262.14</u>	<u>262.14</u>

	March 31, 2020	March 31, 2019
No of shares	Amount	No of shares
	26,213,876	26,213,876
	262.14	262.14
	0.00	-
	<u>262.14</u>	<u>262.14</u>

	March 31, 2020	March 31, 2019
No of shares	Amount	No of shares
	262	262
	100.00%	100.00%
	<u>262</u>	<u>262</u>

	March 31, 2020	March 31, 2019
No of shares	Amount	No of shares
	26,213,876	26,213,876
	100.00%	100.00%
	<u>100.00%</u>	<u>100.00%</u>



**Edelweiss Securities Limited**

Notes to the standalone financial statements (Continued)  
(Currency : Indian rupees in millions)

	As at March 31, 2020	As at March 31, 2019
<b>2.20 Other equity</b>		
Capital redemption reserve	2.70	2.70
Securities premium reserve	807.38	807.38
General reserve	109.41	109.41
Retained earnings	2,832.97	2,484.18
Deemed capital contribution reserve - equity	138.30	138.30
	<u>3,890.98</u>	<u>3,541.97</u>
<b>A. Nature and purpose of reserve</b>		
<b>a. Capital redemption reserve</b>		
Capital redemption reserve is used to record redemption of preference shares. Capital redemption reserve is used for issuing fully paid bonus shares in accordance of the provision of the Companies Act, 2013.		
<b>b. Securities premium reserve</b>		
Securities premium reserve is used to record premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance of the provision of the Companies Act, 2013.		
<b>c. General reserve</b>		
Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. This reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.		
<b>d. Retained earnings</b>		
Retained earnings comprises of the Company's undistributed earnings after taxes.		
<b>e. Deemed capital contribution - equity</b>		
Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.		
<b>B. Movement in other equity</b>		
	As at March 31, 2020	As at March 31, 2019
Capital Redemption Reserve- Opening balance	2.70	2.70
Add : Additions during the year	-	-
	<u>2.70</u>	<u>2.70</u>
Securities Premium Account	807.38	807.38
Add : Additions during on issue of Equity Shares	0.22	-
	<u>807.60</u>	<u>807.38</u>
General Reserve	109.41	109.41
Add : Additions during the year	-	-
	<u>109.41</u>	<u>109.41</u>
Retained earnings	2,484.18	3,143.91
Opening Balance	-	(372.03)
IndAS Adjustment	(20.98)	-
IndAS Adjustment (Transition Impact on account of Ind AS 116 - Leases)	7.33	-
IndAS Adjustment (DTA on above)	619.64	794.47
Add: Profit for the year	311.93	(2.63)
Add: Other comprehensive income for the year	3,401.20	3,563.71
Amount available for appropriation	488.06	1,065.61
Appropriations:	70.17	72.93
Interim dividend	-	-
Dividend distribution tax	<u>2,832.97</u>	<u>2,484.18</u>
Deemed capital contribution - ESOP	138.30	138.30
Add : Additions during the year	0.00	(0.00)
	<u>138.30</u>	<u>138.30</u>
	<u>3,890.98</u>	<u>3,541.97</u>



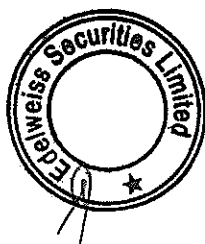


## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>2.21 Fee and commission income</b>		
Income from Securities Broking (refer note 2.33)	2,042.97	2,007.69
Advisory and other fees (refer note 2.33)	456.17	576.24
	<u>2,499.14</u>	<u>2,583.93</u>
<b>2.21A Service transferred at a point in time</b>	2,461.43	2,559.22
Service transferred over time	37.70	24.71
	<u>2,499.14</u>	<u>2,583.93</u>
<b>2.22 Interest income</b>		
<b>Interest income from investments</b>		
Interest Income - Preference Capital	110.50	102.92
On Debt instrument	0.11	-
<b>Interest on deposits with bank</b>		
On fixed deposits	300.67	530.81
<b>Other interest income</b>		
Interest income on margin with clearing member	125.61	30.10
On intercorporate deposits	84.63	154.62
Interest Income - Others	0.50	0.48
	<u>622.02</u>	<u>818.93</u>
<b>2.23 Dividend Income</b>		
Dividend on stock in trade	1.15	0.21
Dividend on long term Investment	157.39	652.52
	<u>158.54</u>	<u>652.73</u>
<b>2.24 Rental Income</b>		
Rental Income	0.87	7.37
	<u>0.87</u>	<u>7.37</u>
<b>2.25 Other income</b>		
Profit on sale of fixed assets (net)	2.95	1.08
Interest on Income Tax refund	200.29	32.41
Miscellaneous income	0.82	6.92
	<u>204.06</u>	<u>40.41</u>



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>2.26 Employee benefit expenses</b>		
Salaries and wages	693.86	1,095.52
Contribution to provident and other funds (refer note 2.35)	44.75	41.65
Expense on Employee Stock Option Scheme (ESOP) (refer note 2.43)	31.16	14.86
Expense on Employee Stock Appreciation Rights	7.97	-
Staff welfare expenses	24.66	38.87
	<u>802.40</u>	<u>1,190.90</u>
<p>Edelweiss Financial Services Limited (the holding company) has employee stock option plans and stock appreciation rights plans 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.</p>		
<b>2.27 Finance costs</b>		
<b>Interest on borrowings</b>		
- on bank overdraft	302.89	267.17
- on loan from fellow subsidiaries	65.88	303.61
- on working capital demand loan	228.15	21.63
<b>Interest on subordinated liabilities</b>		
- Interest on subordinated liabilities	103.67	-
<b>Other interest expense</b>		
- Financial and bank charges	16.87	82.19
- Interest on Margin	13.31	137.72
- Interest - others	17.78	-
- Interest on shortfall in payment of Advance Income Tax	3.41	1.37
	<u>751.96</u>	<u>813.69</u>
<b>2.28 Net (gain) / loss on treasury / investment income</b>		
- <b>Investments</b>		
(Profit) / loss on trading of securities (net)	(0.29)	5.91
Profit on sale of current investments (net)	-	(1.07)
Fair value gain - P&L - equity	-	3.56
- <b>Others</b>		
Loss on sale of long term investment (net)	-	247.76
Profit on sale of long term investment	(0.13)	-
	<u>(0.42)</u>	<u>256.16</u>
<b>2.29 Impairment on financial instruments</b>		
Bad- debts and advances written off	8.19	13.76
Diminution in value of investments	50.72	-
Provision for expected credit loss (refer note 2.46)	(7.75)	(22.55)
	<u>51.16</u>	<u>(8.79)</u>
<b>Impairment on financial instruments measured at amortised cost</b>		
Trade receivables	0.44	(8.79)
Investment in preference shares	50.72	-
	<u>51.16</u>	<u>(8.79)</u>

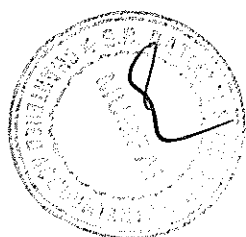


## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>2.30 Other expenses</b>		
Advertisement and business promotion	36.51	27.17
Auditor's remuneration	6.68	4.61
Commission and brokerage	-	0.53
Communication	87.35	102.04
Directors' sitting fees	0.40	0.56
Insurance	2.58	1.64
Legal and professional fees	141.46	151.68
Printing and stationery (refer note 2.42)	7.42	10.00
Rates and taxes	10.18	0.64
Rent (refer note 2.38 and 2.42)	51.10	73.88
<b>Other expenditure</b>		
Electricity charges (refer note 2.42)	5.64	7.86
Foreign exchange loss (net)	0.09	1.76
Computer expenses	7.71	18.67
Computer software	58.93	45.14
Corporate social responsibility -Donation (refer note 2.55)	-	2.50
Clearing & custodian charges	96.00	-
Dematerialisation charges	0.38	0.67
Rating support fees	0.05	0.07
Membership and subscription	61.11	74.86
Office expenses (refer note 2.42)	220.11	168.00
Postage and courier	1.53	3.78
Seminar & Conference	29.95	12.86
Goods & Service tax expenses	2.66	4.94
Site related expenses	-	0.03
Stamp duty	55.43	66.32
Stock exchange expenses	2.79	6.93
Travelling and conveyance	67.93	80.88
Miscellaneous expenses	21.90	11.97
	<u>975.90</u>	<u>879.99</u>
<b>Auditors' remuneration:</b>		
As Auditors	5.93	4.30
For certification	0.43	0.16
Towards reimbursement of expenses	0.33	0.15
	<u>6.68</u>	<u>4.61</u>

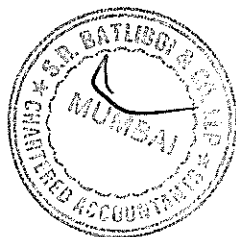


## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>2.31 Income Tax</b>		
<b>The components of income tax expenses for the year ended 31st March 2020 and 2019 are :</b>		
Current tax	237.64	82.22
Adjustment in respect of current income tax of prior years	(2.00)	(22.46)
Deferred tax relating to origination and reversal of temporary differences (Reversal) / availment of minimum alternate tax (MAT) credit	(9.19)	11.46
	(44.46)	44.46
<b>Total tax charge</b>	<b>181.99</b>	<b>115.68</b>
Current tax	235.64	59.76
Deferred tax	(53.65)	55.92
<b>2.31a Reconciliation of total tax charge</b>		
Accounting profit / (loss) before tax as per financial statements	801.63	910.15
Tax rate (in percentage)	34.94%	34.94%
Income tax expnses for current year as per above rate	280.12	318.04
Adjustment in respect of current income tax of prior years	(2.00)	(22.46)
Effect of income not subject to tax: Long term capital gain on sale of shares	(0.04)	1.69
Effect of income not subject to tax: Profit on FA	(1.03)	(0.38)
Effect of income not subject to tax: Interest on preference capital - Ind AS	(38.61)	(35.97)
Effect of income not subject to tax: Income tax refund offered for tax earlier years	-	(6.69)
Effect of income not subject to tax: Dividend	(55.40)	(228.09)
Effect of non-deductible expenses: Penalties	2.49	0.48
Effect of non-deductible expenses: section 14A	2.21	1.92
Effect of non-deductible expenses: Impairment of investment	17.72	-
Effect of non-deductible expenses: interest on subordinated liabilities	36.23	-
Effect of non-deductible expenses: Stamp duty on authorised share capital	3.11	-
Effect of deductible expenses: section 35D	(4.12)	-
Effect of deductible expenses: ECL	(2.71)	(7.88)
Effect of deductible expenses: Others	(2.34)	(0.95)
(Reversal) / availment of minimum alternate tax (MAT) credit	(44.46)	44.46
Deferred tax relating to origination and reversal of temporary differences	(9.18)	51.51
<b>Total</b>	<b>181.99</b>	<b>115.68</b>



**Edelweiss Securities Limited**

**Notes to the standalone financial statements (Continued)**

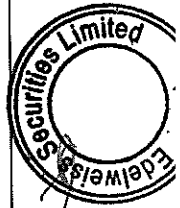
(Currency : Indian rupees in millions)

**2.31b**

Particulars	Movement for the period (2019-20)					Closing deferred tax asset / (liability)
	Opening deferred tax asset / (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	
<b>Deferred taxes in relation to:</b>						
Property, Plant and Equipment	7.11	(5.30)	(169.82)	-	-	(168.01)
Intangible assets	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	-
Investments in associates	-	17.72	-	-	-	17.72
Investments (preference instruments)	0.06	(0.06)	-	-	-	-
Trade receivables	10.22	0.04	-	-	-	10.26
Inventories	-	-	-	-	-	-
Employee benefits obligations	4.54	(0.14)	-	-	-	4.40
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	5.94	44.46	-	-	(50.41)	-
Others	3.92	(3.08)	-	7.33	-	8.18
<b>Total</b>	<b>31.79</b>	<b>53.65</b>	<b>(169.82)</b>	<b>7.33</b>	<b>(50.41)</b>	<b>(127.46)</b>

Particulars	Movement for the period (2018-19)					Closing deferred tax asset / (liability)
	Opening deferred tax asset / (liability)	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Others	
<b>Deferred taxes in relation to:</b>						
Property, Plant and Equipment	10.55	(3.44)	-	-	-	7.11
Investments (preference instruments)	(1.19)	1.25	-	-	-	0.06
Trade receivables	19.77	(9.55)	-	-	-	10.22
Employee benefits obligations	4.43	0.11	-	-	-	4.54
ESOP cost	372.03	-	-	(372.03)	-	-
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	58.84	-	-	-	(52.90)	5.94
Others	3.74	0.17	-	-	-	3.92
<b>Total</b>	<b>468.18</b>	<b>(11.46)</b>	<b>-</b>	<b>(372.03)</b>	<b>(52.90)</b>	<b>31.79</b>

Break-up of recognition of current tax In P&L	March 31, 2020	March 31, 2019
	181.99	115.68



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

2.32 In accordance with Indian Accounting Standard 33 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

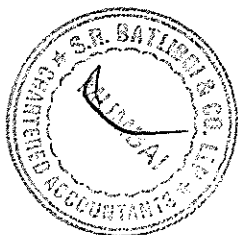
	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Profit after tax (as per Statement of Profit and Loss)	619.64	794.47
	Less: dividend on preference share including dividend distribution tax	Nil	Nil
	Net profit for the year attributable to equity shareholders	619.64	794.47
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	26,213,676	26,213,676
	Number of Shares issued during the year	200	-
	Total number of equity shares outstanding at the end of the year	26,213,876	26,213,676
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	26,213,742	26,213,676
(c)	Basic and diluted earnings per share (in rupees) (a)/(b)	23.64	30.31

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

Basic earning per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares (net of tax)) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

2.33 Brokerage income is disclosed net of related stock exchange expenses (transaction charges and SEBI fees) ₹ 324.10 (previous year ₹ 442.95). Fee income is disclosed net of related sub-brokerage and commission expenses ₹ 717.83 (previous year ₹ 703.45).



**Edelweiss Securities Limited**

**Notes to the standalone financial statements (Continued)**

(Currency : Indian rupees in millions)

**2.34 Segment reporting**

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

Operating Segment	Activities covered
Agency business	Broking and capital market advisory businesses. The same includes equity broking, research services, Referral Fee and all other allied business streams.
Capital based business	Income from treasury operations and income from investment and dividend

Basis of allocation :

1. Segment disclosure not exclusively pertaining to either of the segments are shown as unallocated
2. Employee cost is allocated based on efforts for the segment respectively.
3. All common costs are allocated based on employee cost ratio for the respective segment.
4. Assets and liabilities are allocated based on direct identification with respective businesses.  
Common assets and liabilities are allocated between the two segments based on employee cost ratio.
5. Tax and similar assets and liabilities allocated to unallocated segment.

The Company's management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on operating profit or losses.

No revenue from transactions with a single external customers amounted to 10% or more of the Company's total revenue for the year ended March 31, 2020 or March 31, 2019.

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

The following table gives information as required under the Indian Accounting Standard -108 on Segment Reporting:



Edelweiss Securities Limited

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

2.34 Segment reporting (Continued)

	Particulars	For the Period Ended March 31, 2020	For the Year Ended March 31, 2019
I	<b>Segment Revenue</b>		
	a) Agency business	2,929.67	3,340.35
	b) Capital based business	354.98	660.10
	c) Unallocated	200.29	102.92
	<b>Total Income</b>	<b>3,484.94</b>	<b>4,103.37</b>
II	<b>Segment Result</b>		
	a) Agency business	912.93	659.78
	b) Capital based business	(301.61)	153.43
	c) Unallocated	190.20	96.94
	<b>Total</b>	<b>801.52</b>	<b>910.15</b>
		<b>For the Period Ended March 31, 2020</b>	<b>For the Year Ended March 31, 2019</b>
III	<b>Segment assets</b>		
	a) Agency business	6,265.44	15,535.00
	b) Capital based business	5,923.06	2,890.42
	c) Unallocated	206.18	896.60
	<b>Total</b>	<b>12,394.68</b>	<b>19,322.02</b>
IV	<b>Segment liabilities</b>		
	a) Agency business	4,167.74	12,523.20
	b) Capital based business	3,763.15	2,891.44
	c) Unallocated	310.67	103.27
	<b>Total</b>	<b>8,241.56</b>	<b>15,517.91</b>
V	<b>Capital expenditure</b>		
	a) Agency business	131.94	55.72
	b) Capital based business	0.94	0.25
	c) Unallocated*	-	0.01
	<b>Total</b>	<b>132.88</b>	<b>55.98</b>
VI	<b>Depreciation and amortisation</b>		
	a) Agency business	101.28	61.00
	b) Capital based business	0.72	0.27
	c) Unallocated	-	-
	<b>Total</b>	<b>102.00</b>	<b>61.27</b>
VII	<b>Non cash expenditure other than depreciation</b>		
	a) Agency business	11.23	-0.18
	b) Capital based business	0.08	0.04
	c) Unallocated*	-	0.01
	<b>Total</b>	<b>11.31</b>	<b>-0.13</b>

\* Amount is less than ₹ 0.01 million





## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.35 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits

##### A) Defined contribution plan (Provident fund and national pension scheme)

Amount of ₹33.24 million (Previous year: ₹ 32.69 million) is recognised as expenses in "Employee benefit expenses" – note 2.26 in the statement of profit and loss.

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

##### B) Defined benefit plan (Gratuity)

###### Expenses recognised in the statement of profit and loss

	For the year ended March 31, 2020	For the year ended March 31, 2019
<i>Service cost</i>		
a. Current service cost	10.68	9.75
b. Past service cost	-	-
c. Loss/ (Gain) from Settlement	-	-
Net interest on net defined benefit liability/ (asset)	0.58	(0.83)
Changes in foreign exchange rates	-	-
<b>Employer Expense/ (Income)</b>	<b>11.26</b>	<b>8.92</b>

###### Net liability/(assets) recognized in the balance sheet

	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit	83.86	71.23
Fair value of plan assets	79.56	75.03
<b>Net (assets)/liability recognised in the balance sheet</b>	<b>(4.30)</b>	<b>(3.80)</b>
<b>Of which, Short term provision</b>	<b>-</b>	<b>-</b>

###### Reconciliation of Defined benefit obligation

	As at March 31, 2020	As at March 31, 2019
Present value of DBO at start of the year	71.23	72.08
Transfer In/(Out)	6.85	(9.72)
Interest cost	5.47	4.55
Current service cost	10.68	9.75
Benefits paid	(10.65)	(8.06)
Past service cost	-	-
Actuarial (gain)/loss on obligations	4.86	2.63
Actuarial (gain)/loss on experience of past years	(4.58)	-
<b>Present value of DBO at the end of the year</b>	<b>83.86</b>	<b>71.23</b>



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.35 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits (Continued)

##### B) Defined benefit plan (Gratuity) (Continued)

###### Reconciliation of fair value of the plan assets

	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets at the start of the year	75.03	77.71
Expected return on plan assets	4.88	5.38
Contributions by employer	15.14	0.01
Benefits paid	(10.64)	(8.06)
Actuarial (loss)/gain on plan assets	(4.85)	(0.01)
Fair value of plan assets at the end of the year	79.56	75.03
Actual return on plan assets	0.03	5.37
Expected employer contribution for the coming period	4.00	-

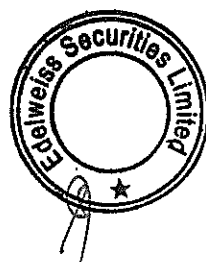
###### Movement in Other Comprehensive Income

	March 31, 2020	March 31, 2019
Balance at start of year (Loss)/ Gain	(2.63)	Nil
<i>Re-measurement on DBO</i>		
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	(4.86)	(1.12)
c. Actuarial (Loss)/Gain from experience over the past years	4.58	(1.50)
<i>Re-measurement on Plan Assets</i>		
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	(4.86)	(0.01)
<i>Re-measurement on Asset Ceiling</i>		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at the end of year Loss	(7.77)	(2.63)

###### Sensitivity Analysis

DOB increases / (decreases ) by	March 31, 2020	March 31, 2019
1 % Increase in Salary Growth Rate	4.22	3.63
1 % Decrease in Salary Growth Rate	(4.04)	(3.46)
1 % Increase in Discount Rate	(4.04)	(3.43)
1 % Decrease in Discount Rate	4.31	3.67
1 % Increase in Withdrawal Rate	(0.23)	(0.23)
1 % Decrease in Withdrawal Rate	0.25	0.23
Mortality (Increase in expected lifetime by 1 year)*	0.01	Negligible Change
Mortality (Increase in expected lifetime by 3 year)*	0.01	Negligible Change

\* Amount is less than ₹ 0.01 million



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.35 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits (Continued)

##### B) Defined benefit plan (Gratuity) (Continued)

###### Movement in Surplus/ (Deficit)

	March 31, 2020	March 31, 2019
Surplus/ (Deficit) at start of year	3.80	5.63
Net (Acquisition)/ Divestiture	-	-
Net Transfer (In)/ Out	(6.85)	9.72
Movement during the year		
Current Service Cost	(10.68)	(9.75)
Past Service Cost	-	-
Net interest on net DBO	(0.58)	0.83
Changes in Foreign Exchange Rates	-	-
Re-measurement	(5.13)	(2.63)
Contributions/ Benefits	15.13	0.01
Surplus / (Deficit) at end of year	(4.30)	3.80

###### Experience adjustment

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	83.86	71.23	72.08	70.00	68.64
Fair value of plan assets	79.56	75.03	77.71	74.24	70.79
Surplus/(deficit)	(4.30)	3.80	5.63	4.24	2.15
Experience adjustment on plan liabilities: (Gain)/ Loss	(4.58)	1.50	(6.08)	(2.74)	(1.68)

###### Principal actuarial assumptions at the balance sheet date

	For the year ended March 31, 2020	For the year ended March 31, 2019
Discount rate	7%	7%
Salary escalation	5.90%	7%
Employee attrition rate	13% to 25%	12% to 25%
Expected return of plan assets	7%	7.30%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	5 years	5 years



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.36 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
<b>Financial assets</b>						
Cash and cash equivalents	536.39	-	536.39	635.35	-	635.35
Other bank balances	2,376.20	901.59	3,277.79	4,196.74	1,002.90	5,199.64
Stock-in-trade	0.13	-	0.13	0.13	-	0.13
Trade receivables	480.43	-	480.43	8,656.10	-	8,656.10
Loans	447.39	-	447.39	0.31	-	0.31
Investments	1,256.67	4,213.18	5,469.85	-	2,888.89	2,888.89
Other financial assets	-	1,010.56	1,010.56	671.23	14.60	685.83
	<b>5,097.21</b>	<b>6,125.33</b>	<b>11,222.54</b>	<b>14,159.86</b>	<b>3,906.39</b>	<b>18,066.25</b>
<b>Non-financial assets</b>						
Current tax assets (net)	-	202.74	202.74	38.11	779.09	817.20
Deferred tax assets (net)	-	-	-	-	31.79	31.79
Property, plant and equipment	-	900.93	900.93	-	261.73	261.73
Capital work-in-progress	-	-	-	-	18.03	18.03
Intangible assets under development	-	4.41	4.41	-	3.40	3.40
Other intangible assets	-	21.45	21.45	-	36.63	36.63
Other non-financial assets	33.08	9.53	42.61	86.99	-	86.99
	<b>33.08</b>	<b>1,139.06</b>	<b>1,172.14</b>	<b>125.10</b>	<b>1,130.67</b>	<b>1,255.77</b>
<b>Total assets</b>	<b>5,130.29</b>	<b>7,264.39</b>	<b>12,394.68</b>	<b>14,284.96</b>	<b>5,037.06</b>	<b>19,322.02</b>

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Trade payables	907.96	-	907.96	1,536.61	-	1,536.61
Borrowing (other than debt securities)	3,763.00	-	3,763.00	5,234.95	-	5,234.95
Subordinated Liabilities	92.53	2,896.30	2,988.83	-	-	-
Other financial liabilities	88.89	108.78	197.67	8,569.65	-	8,569.65
	<b>4,852.38</b>	<b>3,005.08</b>	<b>7,857.46</b>	<b>15,341.21</b>	<b>-</b>	<b>15,341.21</b>
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	43.21	-	43.21	7.73	-	7.73
Provisions	16.90	-	16.90	-	13.00	13.00
Deferred tax liabilities (net)	-	127.46	127.46	-	-	-
Other non-financial liabilities	196.53	-	196.53	155.97	-	155.97
	<b>256.64</b>	<b>127.46</b>	<b>384.10</b>	<b>163.70</b>	<b>13.00</b>	<b>176.70</b>
<b>Total liabilities</b>	<b>5,109.02</b>	<b>3,132.54</b>	<b>8,241.56</b>	<b>15,504.91</b>	<b>13.00</b>	<b>15,517.91</b>
<b>Net</b>	<b>21.27</b>	<b>4,131.85</b>	<b>4,153.12</b>	<b>(1,219.95)</b>	<b>5,024.06</b>	<b>3,804.11</b>



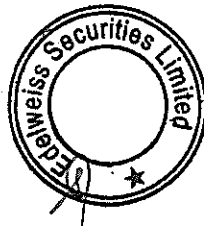
**Edelweiss Securities Limited**Notes to the standalone financial statements *(Continued)*

(Currency : Indian rupees in millions)

**2.37 Change in liabilities arising from financing activities**

Particulars	1-Apr-19	Cash flows	Changes in fair values	Exchange differences	Accrued interest on loan	31-Mar-20
Borrowings other than debt securities	5,234.96	(1,474.76)	-	-	2.80	3,763.00
Subordinated liabilities	-	2,885.16	-	-	103.67	2,988.83
<b>Total liabilities from financing activities</b>	<b>5,234.96</b>	<b>1,410.40</b>	<b>-</b>	<b>-</b>	<b>106.47</b>	<b>6,751.83</b>

Particulars	1-Apr-18	Cash flows	Changes in fair values	Exchange differences	Accrued interest on loan	31-Mar-19
Borrowings other than debt securities	3,985.32	1,218.29	-	-	31.35	5,234.96
<b>Total liabilities from financing activities</b>	<b>3,985.32</b>	<b>1,218.29</b>	<b>-</b>	<b>-</b>	<b>31.35</b>	<b>5,234.96</b>



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.38 Contingent liabilities, commitments and lease arrangements

##### A. Capital commitments (to the extent not provided for)

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹1.39 million (net of advances) (Previous year: ₹ 16.56 million).

##### B. Contingent liabilities (to the extent not provided for)

- a) Taxation matters in respect of which appeal is pending ₹ 361.30 million (Previous year: ₹ Nil).  
b) Litigation pending against the Company amounting to ₹ Nil (Previous year: ₹ Nil).

The Company's pending litigations mainly comprise of claims against the Company pertaining to proceedings pending with income tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote.

##### C. Lease commitments

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

##### Measurement of lease liability

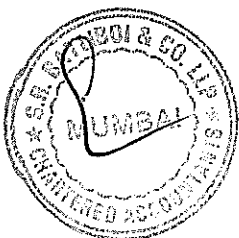
Particulars	01-Apr-19
Opening lease commitment disclosed as at 31 March 2019	-
Discounted using the lessee's incremental borrowing rate of at the date	-
Less: Short Term Lease	-
Less: low value Lease	-
Less: other adjustments (please specify)	-
Lease liability recognised as at 1 April 2019	108.71

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

Particulars	Amount
Lease liability - Increase by	131.66
PPE - ROU - Increase by	110.67
Deferred tax asset - Increase by	7.33
Other impact if any (specify nature of impact)	-
Net impact on retained earnings on 1 April 2019 - Decreased by	13.65

##### The change in accounting policy affected following items in the Profit / Loss for the year ended March 31, 2020

Particulars	Amount
Lease Payment - decrease by	37.06
Interest Expense on lease liability - Increase by	14.06
Amortisation of ROU asset - Increase by	25.98
Net impact on Profit - decrease by	(2.98)



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.38 Contingent liabilities, commitments and lease arrangements (Continued)

##### C. Lease commitments (Continued)

Future minimum lease payments under non-cancellable operating leases as at 31 March are, as follows:

##### Lease commitments – disclosure

Particulars	March 31, 2020	March 31, 2019
Within one year	5.64	5.98
After one year but not more than five years	2.49	8.13
<b>Total</b>	<b>8.13</b>	<b>14.11</b>

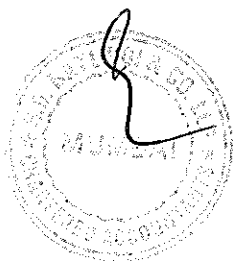
##### Other disclosures

Particulars	% / Years / Amount
Incremental borrowing rate of company (in %)	12.50%
The leases have an life of between (in years )	3 to 6
The total lease payment for the year (in amount)	37.06
Lease rent expenses recognised in P&L for short term lease (in amount)	3.14

Practical expedient used by the Company

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

- 1 applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- 2 an impairment review – there were no onerous contracts as at 1 January 2019
- 3 accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- 4 excluding initial direct costs for the measurement of the right-of-use asset at the date of initial



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.39 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

**(A) Names of related parties by whom control is exercised**

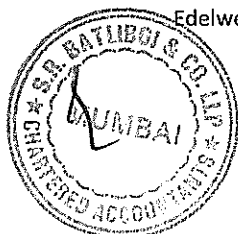
Edelweiss Financial Services Limited Holding company

**(B) Subsidiaries/entities which are controlled by the Company**

Edelweiss Custodial Services Limited  
Edelweiss Financial Services Inc  
Edelweiss Financial Services (UK) Limited  
Edelweiss Securities (Hong Kong) Private Limited  
Edelweiss Finance & Investments Limited (w.e.f. 31<sup>st</sup> March 2020)  
ESL Securities Limited (w.e.f. 01<sup>st</sup> Oct 2019, date of incorporation)  
Edelweiss Securities And Investments Private Limited (w.e.f. 29<sup>th</sup> November 2019)  
Edelweiss Securities Trading and Management Private Limited (merged with Edelweiss Securities And Investments Private Limited w.e.f. 29<sup>th</sup> November 2019)\*

**(C) Fellow subsidiaries with whom the Company has transactions:**

Edelweiss Comtrade Limited  
EC Commodities Limited  
ECap Equities Limited  
Edel Finance Company Limited  
Edel Investments Limited  
Edel Land Limited  
Edelcap Securities Limited  
Edelgive Foundation  
Edelweiss Broking Limited  
Edelweiss Global Wealth Management Limited  
Edelweiss Housing Finance Limited  
Edelweiss Investment Advisors Pte Limited  
Edelweiss Investment Adviser Limited  
Edelweiss Retail Finance Limited  
Edelweiss Tokio Life Insurance Company Limited  
Allium Finance Private Limited  
Alternative Investment Market Advisors Private Limited (merged with ECap Equities Limited w.e.f. 29<sup>th</sup> November 2019)\*\*  
EAAA LLC  
Edelweiss Alternative Asset Advisors Limited  
Edelweiss Asset Management Limited  
Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)  
Edelweiss General Insurance Company Limited  
Edelweiss Global Wealth Management Limited  
Edelweiss Housing Finance Limited  
Edelweiss Rural & Corporate Services Limited  
Edelweiss Securities (IFSC) Limited  
Edelweiss Securities And Investments Private Limited  
Edelweiss Stressed and Troubled Assets Revival Fund Trust  
Lichen Metals Private Limited  
ECL Finance Limited  
Edelweiss Finvest Private Limited





## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.39 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 : (Continued)

\*The Hon’ble National Company Law Tribunal (‘NCLT’), Hyderabad bench vide Order dated 19 November 2019 has confirmed (approved / sanctioned) the scheme of amalgamation of Edelweiss Securities Trading And Management Private Limited (Transferor Company) with Edelweiss Securities And Investments Private Limited (Transferee Company) having 01 April 2018 as the appointed date (the Scheme) under section 233 of the Companies Act, 2013. The Order confirming the Scheme has been filed by the Company with the Registrar of Companies, Hyderabad on 29 November 2019 and therefore is effective from 29 November 2019.

\*\*Pursuant the Scheme of Amalgamation of Edelweiss Holdings Limited, (Transferor Company No. 1), Edelweiss Trustee Services Limited (Transferor Company No. 2) and Alternative Investment Market Advisors Private Limited (Transferor Company No. 3) with ECap Equities Limited (Transferee Company / the Company) having April 01, 2018 as the appointed date (the Scheme) under Section 233 of the Companies Act, 2013. The Order confirming the Scheme has been filed by the Company with the Registrar of Companies, Hyderabad on November 29, 2019 and therefore is effective from November 29, 2019.

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

#### (D) Associate companies with whom the Company has transactions:

Edelweiss Asset Reconstruction Company Limited

#### (E) Key Management Personnel (KMP):

Mr. Atul Bapna

Mr. Shiv Sehgal

Mr. Kanhaiyalal Agarwal

Mr. Vinod Juneja

Mr. Kunnasagaran Chinniah

Mr. Sandesh Sawant

Executive Director

Executive Director ( w.e.f. 10<sup>th</sup> December 2019)

Executive Director ( till 10<sup>th</sup> December 2019)

Independent Director

Independent Director

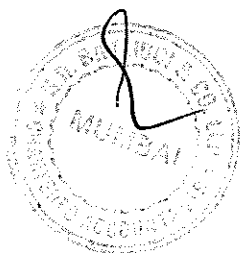
Chief Financial Officer

#### (F) Relatives of Key Management Personnel (KMP):

Mr. Kanhaiya Lal Bapna

Mr. Narendra Nath Sehgal

Ms. Suman Sehgal



Edelweiss Securities Limited

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

2.39 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Capital account transactions during the year</b>				
1	Investment in equity shares of	Edelweiss Securities (Hong Kong) Private Limited	73.05	-
		Edelweiss Finance & Investments Limited	2,704.80	-
		Edelweiss Financial Services Limited	189.63	-
		ESL Securities Limited	0.10	-
2	Sale of investment of Edelcap Securities Limited to	ECap Equities Limited	446.52	-
<b>Current account transaction</b>				
3	Short term loans taken from (refer note 1 and 3)	Edelweiss Rural & Corporate Services Limited	1,190.00	757,169.84
4	Short term loans repaid to (refer note 1 and 3)	Edelweiss Rural & Corporate Services Limited	3,209.33	758,110.34
<b>Secondary market transaction</b>				
5	Margin received from	Edelweiss Financial Services Limited	-	1.55
		ECL Finance Limited	1,701.29	7,114.13
		Edelcap Securities Limited	34.40	5,313.87
		ECap Equities Limited	1,674.74	13,905.89
		Edel Investments Limited	0.37	3,777.24
		Edelweiss Finance & Investments Limited	1.62	2.84
		Edelweiss Rural & Corporate Services Limited	3.58	55.12
		Edelweiss Securities And Investments Private Limited	28.76	107.72
		Edelweiss Investment Adviser Limited	14.93	728.79
		Edelweiss Finvest Private Limited	637.10	6.52
		Edel Land Limited	26.33	8.56
6	Margin paid to	Edelweiss Financial Services Limited	-	2.04
		ECL Finance Limited	1,639.22	7,113.36
		ECap Equities Limited	1,964.24	13,711.90
		Edel Investments Limited	0.40	3,778.66
		Edelcap Securities Limited	231.88	5,218.17
		Edelweiss Rural & Corporate Services Limited	4.02	59.39
		Edelweiss Finance & Investments Limited	1.63	3.56
		EC Commodity Limited	0.03	-
		Edelweiss Broking Limited	0.05	-
		Edelweiss Investment Adviser Limited	-	729.82
		Edelweiss Finvest Private Limited	593.79	7.38
Edelweiss Securities And Investments Private Limited	29.12	110.06		
Edel Land Limited	27.43	9.01		
7	Margin placed with	Edelweiss Custodial Services Limited	33,700.18	1,306.67
8	Margin withdrawn from	Edelweiss Custodial Services Limited	33,505.87	1,669.91
9	Credited for equity segment	ECap Equities Limited	78,554.54	152,377.00
		Edelcap Securities Limited	5,422.69	35,385.32
		Edel Land Limited	40,575.65	35,452.18
		Edel Investments Limited	348.10	8,843.46
		Edelweiss Rural & Corporate Services Limited	-	1,725.47
		Edelweiss Securities And Investments Private Limited	503.98	6,644.17
		Edelweiss Global Wealth Management Limited	-	1,405.52
		Edelweiss Finvest Private Limited	10,137.27	707.22
		ECL Finance Limited	40,016.08	24,341.93
		Edelweiss Finance & Investments Limited	922.84	1,219.21
		Edelweiss Investment Adviser Limited	176.12	3,899.48
Edelweiss Retail Finance Limited	729.24	1,200.50		
EC Commodity Limited	0.28	-		
10	Debited for equity segment	ECap Equities Limited	79,429.20	151,251.60
		Edelcap Securities Limited	5,233.53	35,211.01
		Edel Land Limited	40,591.56	35,525.12
		Edelweiss Finvest Private Limited	9,946.04	589.89
		ECL Finance Limited	39,107.96	23,632.51
		Edel Investments Limited	179.60	8,876.10
		Edelweiss Rural & Corporate Services Limited	-	2,027.01
		Edelweiss Securities And Investments Private Limited	503.19	6,416.11
		Edelweiss Global Wealth Management Limited	-	1,319.27
		Edelweiss Finance & Investments Limited	875.42	699.53
		Edelweiss Investment Adviser Limited	175.95	3,880.35
Edelweiss Retail Finance Limited	702.25	1,116.30		
EC Commodity Limited	0.28	-		
11	Purchase of debt instruments from	ECL Finance Limited	247.30	1,188.74
		Edelweiss Finance & Investments Limited	-	166.49
		Edelweiss Rural & Corporate Services Limited	-	33.02
12	Sale of debt instruments to	ECL Finance Limited	2.85	-
		Edelweiss Rural & Corporate Services Limited	-	251.27



**Edelweiss Securities Limited**

**Notes to the standalone financial statements (Continued)**

(Currency : Indian rupees in millions)

**2.39 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)**

**ii. Transactions with related parties :**

Sr. No.	Nature of Transaction	Related Party Name	For the year ended	For the year ended				
			March 31, 2020	March 31, 2019				
13	Brokerage income earned from	Edelweiss Financial Services Limited	0.12	0.17				
		Edelweiss Rural & Corporate Services Limited	2.16	17.12				
		ECap Equities Limited	70.52	138.48				
		Edelweiss Securities And Investments Private Limited	10.18	33.47				
		Edelweiss Finance & Investments Limited	1.93	0.17				
		ECL Finance Limited	74.06	18.12				
		Edelcap Securities Limited	11.76	18.63				
		Edelweiss Global Wealth Management Limited	-	0.10				
		EC Commodity Limited	0.01	0.01				
		Edelweiss Finvest Private Limited	55.33	1.70				
		Edel Investments Limited	0.27	2.82				
		Edel Land Limited	14.78	6.33				
		Edelweiss Investment Adviser Limited	6.66	9.04				
14	Brokerage and commission income received from	Edelweiss Retail Finance Limited	1.30	0.53				
		ECL Finance Limited	227.21	155.14				
		Edelweiss Finance & Investments Limited	79.08	-				
		Edelweiss Rural & Corporate Services Limited	0.24	-				
		Edelweiss Financial Services Limited	92.14	-				
		ECap Equities Limited	1.35	-				
		Edelweiss Asset Management Limited	1.03	-				
		Edelweiss Asset Reconstruction Company Limited	0.43	-				
		Edelweiss Broking Limited	234.07	268.35				
		Edelcap Securities Limited	-	0.46				
		ECap Equities Limited	-	0.72				
		Edelweiss Financial Services Limited	51.26	-				
		Edelweiss Finance & Investments Limited	0.14	-				
ECL Finance Limited	60.82	-						
15	Brokerage and commission expenses paid to	Edelweiss Custodial Services Limited	84.56	-				
		Edelweiss Financial Services Limited	0.35	-				
		Edelweiss Housing Finance Limited	0.01	-				
		Edelweiss Rural & Corporate Services Limited	0.02	-				
		Edelweiss Rural & Corporate Services Limited	0.01	-				
		Edelweiss Asset Management Limited	0.10	-				
		Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	0.19	-				
		ECL Finance Limited	0.14	-				
		Edelweiss Global Wealth Management Limited	0.02	-				
		Edelweiss Broking Limited	0.77	-				
		Edelweiss Custodial Services Limited	1.44	-				
		Edelweiss Investment Adviser Limited	0.18	-				
		Edelweiss Finvest Private Limited	0.10	-				
16	Business Service Charges Income received from	Edelweiss Comtrade Limited	0.01	-				
		Edelweiss Retail Finance Limited	0.03	-				
		Edelweiss Custodial Services Limited	96.00	-				
		Edelweiss Custodial Services Limited	125.61	30.10				
		Edelweiss Financial Services Limited	-	1.32				
		Edelweiss Rural & Corporate Services Limited	-	3.50				
		ECL Finance Limited	0.25	1.49				
		Edelweiss Custodial Services Limited	0.18	1.49				
		ECap Equities Limited	0.15	0.22				
		Edelcap Securities Limited	-	0.22				
		Edelweiss Rural & Corporate Services Limited	0.05	0.46				
		Edelweiss Broking Limited	0.16	0.16				
		Edelweiss Global Wealth Management Limited	0.03	-				
17	Clearing charges paid to	EAAA LLC	0.05	-				
		Edelweiss Finance & Investments Limited	46.39	-				
		ECap Equities Limited	3.79	-				
		Edelweiss Broking Limited	34.46	-				
		Edelweiss Rural & Corporate Services Limited	65.88	303.61				
		Edelweiss Financial Services Limited	-	0.01				
		ECL Finance Limited	4.57	14.58				
		ECap Equities Limited	2.90	66.46				
		Edelcap Securities Limited	2.46	34.67				
		Edel Investments Limited	0.01	16.88				
		Edelweiss Finance & Investments Limited	-	0.01				
		Edelweiss Rural & Corporate Services Limited	0.01	0.05				
		Edelweiss Broking Limited	0.01	0.01				
18	Interest expenses on loan taken from	Edelweiss Investment Adviser Limited	-	3.30				
		Edelweiss Global Wealth Management Limited	-	0.01				
		Edelweiss Securities And Investments Private Limited	-	0.01				
		Edel Land Limited	-	0.07				
		Edelweiss Finance & Investments Limited	-	0.04				
		Edel Land Limited	-	0.04				
		Edelweiss Finvest Private Limited	3.38	0.02				
		Edelweiss Asset Management Limited	1.60	-				
		19	Interest expenses on margin placed by	Edelweiss Asset Management Limited	0.05	10.26		
				Edelweiss Assot Management Limited	0.05	-		
				Edelweiss Custodial Services Limited	0.19	-		
				20	Interest income on inter corporate deposit placed with	Edelweiss Finance & Investments Limited	46.39	-
						ECap Equities Limited	3.79	-
Edelweiss Broking Limited	34.46					-		
Edelweiss Rural & Corporate Services Limited	65.88					303.61		
Edelweiss Financial Services Limited	-					0.01		
ECL Finance Limited	4.57					14.58		
ECap Equities Limited	2.90					66.46		
Edelcap Securities Limited	2.46					34.67		
Edel Investments Limited	0.01					16.88		
Edelweiss Finance & Investments Limited	-					0.01		
Edelweiss Rural & Corporate Services Limited	0.01	0.05						
Edelweiss Broking Limited	0.01	0.01						
21	Management Fees Income received from	Edelweiss Investment Adviser Limited	-			3.30		
		Edelweiss Global Wealth Management Limited	-	0.01				
		Edelweiss Securities And Investments Private Limited	-	0.01				
		Edel Land Limited	-	0.07				
		Edelweiss Finance & Investments Limited	-	0.04				
		Edel Land Limited	-	0.04				
		Edelweiss Finvest Private Limited	3.38	0.02				
		Edelweiss Asset Management Limited	1.60	-				
		22	Referral & Other Fees Income received from	Edelweiss Asset Management Limited	0.05	10.26		
				Edelweiss Assot Management Limited	0.05	-		
				Edelweiss Custodial Services Limited	0.19	-		



Edelweiss Securities Limited

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

2.39 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019
25	Dividend income on preference shares received from	Edelweiss Rural & Corporate Services Limited	0.70	0.70
26	Dividend income on equity shares received from	Edelweiss Custodial Services Limited	156.69	651.82
27	Rating fees expenses paid to	Edelweiss Financial Services Limited	0.05	0.07
28	Membership and subscription paid to	Edelweiss Rural & Corporate Services Limited	0.06	0.20
		Edelweiss Financial Services Limited	0.01	-
29	Legal and professional fees expenses paid to	Edelweiss Financial Services Inc.	23.03	25.82
		Edelweiss Financial Services Limited	0.28	-
		Edelweiss Investment Advisors Private Limited	49.54	62.81
		Edelweiss Financial Services (UK) Limited	15.62	10.59
		Edelweiss Rural & Corporate Services Limited	0.39	-
30	Reimbursement of Legal and professional expenses paid to	Edelweiss Global Wealth Management Limited	22.06	-
31	Contribution towards corporate social responsibility	Edelgive Foundation	-	2.50
32	Computer expenses paid to	Edelweiss Rural & Corporate Services Limited	2.57	0.01
		ECap Equities Limited	0.01	0.03
		Edelweiss Broking Limited	-	0.01
		Edelweiss Financial Services Limited	0.42	-
		Edelweiss Asset Management Limited	0.01	-
		Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	0.01	-
		ECL Finance Limited	0.01	-
		Edelweiss Alternative Asset Advisors Limited	0.01	-
		Edelweiss Investment Adviser Limited	0.01	-
		EC Commodity Limited	0.01	-
		Edel Land Limited	0.01	-
		Edelweiss Finvest Private Limited	0.01	-
		Allium Finance Private Limited	0.01	-
		Edel Investments Limited	0.01	-
		Edelweiss Asset Reconstruction Company Limited	0.01	-
		EdelGive Foundation	0.01	-
		Uchen Metals Private Limited	0.01	-
		Edel Finance Company Limited	0.01	-
		Edelweiss General Insurance Company Limited	0.01	-
33	Office expenses paid to	Edelweiss Rural & Corporate Services Limited	143.42	108.77
		ECap Equities Limited	0.09	-
		ECap Equities Limited	-	0.67
		Edelweiss Housing Finance Limited	-	0.01
		Edelweiss Broking Limited	-	0.01
		Edelweiss Financial Services Limited	32.64	-
		Edelcap Securities Limited	0.82	-
34	Printing and stationary expenses paid to	Edelweiss Rural & Corporate Services Limited	0.80	0.01
		Edelweiss Financial Services Limited	0.05	-
35	Communication expenses Paid to	Edelweiss Financial Services Limited	0.04	-
		Edelweiss Rural & Corporate Services Limited	0.01	-
36	Communication expenses recovered from	Edelweiss Financial Services Limited	0.28	-
		Edelweiss Finance & Investments Limited	0.05	-
		Edelweiss Housing Finance Limited	0.76	-
		ECap Equities Limited	0.94	-
		Edelcap Securities Limited	0.23	-
		Edelweiss Rural & Corporate Services Limited	0.64	0.11
		Edelweiss Asset Management Limited	0.30	-
		Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	0.07	-
		ECL Finance Limited	1.87	-
		Edelweiss Global Wealth Management Limited	0.06	-
		Edelweiss Broking Limited	2.05	-
		Edelweiss Alternative Asset Advisors Limited	0.30	-
		Edelweiss Custodial Services Limited	0.22	-
		Edelweiss Investment Adviser Limited	0.02	-
		EC Commodity Limited	0.04	-
		Edel Land Limited	0.02	-
		Edelweiss Finvest Private Limited	0.08	-
		Allium Finance Private Limited	0.01	-
		Edelweiss Tokio Life Insurance Company Limited	0.17	-
		Edel Investments Limited	0.05	-
		Edelweiss Asset Reconstruction Company Limited	0.47	-
		EdelGive Foundation	0.01	-
		Uchen Metals Private Limited	0.01	-
		Edelweiss Comtrade Limited	0.03	-
		Edel Finance Company Limited	0.01	-
		Edelweiss Retail Finance Limited	0.04	-
		Edelweiss General Insurance Company Limited	0.33	-



**Edelweiss Securities Limited**

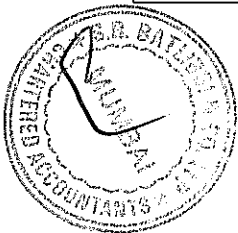
Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

**2.39 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)**

**ii. Transactions with related parties :**

Sr. No.	Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019		
37	Computer expenses recovered from	Edelweiss Financial Services Limited	-	0.01		
		Edelweiss Rural & Corporate Services Limited	-	0.07		
		Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	0.01	0.01		
		Edelweiss Tokio Life Insurance Company Limited	-	-		
		Edelweiss Housing Finance Limited	0.14	0.01		
		Edelweiss Asset Management Limited	-	0.01		
		ECL Finance Limited	-	0.01		
		Edelweiss Global Wealth Management Limited	0.01	0.01		
		Edelweiss Alternative Asset Advisors Limited	0.74	0.01		
		Edelweiss Custodial Services Limited	0.01	0.01		
		Edelweiss Investment Adviser Limited	0.01	0.01		
		EC Commodity Limited	0.19	0.01		
		Edelweiss Comtrade Limited	0.01	0.01		
		Edelweiss Retail Finance Limited	0.01	-		
		Edelweiss Finance & Investments Limited	0.01	-		
		ECap Equities Limited	0.05	-		
		Edelcap Securities Limited	0.10	-		
		Edelweiss Asset Management Limited	2.11	-		
		ECL Finance Limited	0.69	-		
		Edelweiss Broking Limited	0.27	-		
		Edel Land Limited	0.05	-		
		Edelweiss Finvest Private Limited	0.01	-		
		Allium Finance Private Limited	0.03	-		
		Edel Investments Limited	0.01	-		
		Edelweiss Asset Reconstruction Company Limited	0.02	-		
		EdelGive Foundation	0.01	-		
		Lichen Metals Private Limited	0.01	-		
		Edel Finance Company Limited	0.01	-		
		Edelweiss General Insurance Company Limited	0.01	-		
		38	Computer software expenses paid to	Edelweiss Financial Services Limited	2.22	-
				Edelweiss Rural & Corporate Services Limited	2.13	-
		39	Computer software expenses recovered from	Edelweiss Rural & Corporate Services Limited	-	0.01
				Edelweiss Finance & Investments Limited	0.01	-
				Edelweiss Housing Finance Limited	0.06	-
				ECap Equities Limited	0.01	-
				Edelcap Securities Limited	0.04	-
				Edelweiss Asset Management Limited	0.01	-
Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	0.01			-		
ECL Finance Limited	0.16			-		
Edelweiss Global Wealth Management Limited	0.01			-		
Edelweiss Broking Limited	0.15			-		
Edelweiss Alternative Asset Advisors Limited	0.04			-		
Edelweiss Custodial Services Limited	0.02			-		
Edelweiss Investment Adviser Limited	0.01			-		
EC Commodity Limited	0.03			-		
Edel Land Limited	0.01			-		
Edelweiss Finvest Private Limited	0.01			-		
Allium Finance Private Limited	0.01			-		
Edel Investments Limited	0.01			-		
Edelweiss Asset Reconstruction Company Limited	0.07			-		
EdelGive Foundation	0.01			-		
Lichen Metals Private Limited	0.01			-		
Edelweiss Comtrade Limited	0.01			-		
Edel Finance Company Limited	0.01			-		
Edelweiss Retail Finance Limited	0.01			-		
Edelweiss General Insurance Company Limited	0.06			-		
40	Travelling and conveyance recovered from			Edelweiss Rural & Corporate Services Limited	-	0.01
41	Insurance expenses paid to			Edelweiss Financial Services Limited	0.08	14.81
		Edelweiss Rural & Corporate Services Limited	0.18	-		
42	Legal and professional fees expenses recovered from	Edelweiss Rural & Corporate Services Limited	0.01	0.01		
		Edelweiss Broking Limited	0.83	-		
43	Membership & subscription expenses recovered from	Edelweiss Rural & Corporate Services Limited	0.26	0.06		
		ECap Equities Limited	1.12	-		
		Edelweiss Asset Management Limited	0.04	-		
		ECL Finance Limited	0.42	-		
		Edelweiss Broking Limited	0.26	-		
		Edelweiss Alternative Asset Advisors Limited	0.29	-		
		EC Commodity Limited	0.47	-		
		Allium Finance Private Limited	0.12	-		
Edelweiss Tokio Life Insurance Company Limited	0.01	-				



**Edelweiss Securities Limited**

**Notes to the standalone financial statements (Continued)**

(Currency : Indian rupees in millions)

**2.39 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)**

**ii. Transactions with related parties :**

Sr. No.	Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019
44	Office expenses recovered from	Edelweiss Financial Services Limited	-	0.45
		Edelweiss Rural & Corporate Services Limited	0.19	0.13
		Edelweiss Broking Limited	0.03	0.55
		Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	-	0.23
		ECL Finance Limited	-	0.27
		Edelweiss Housing Finance Limited	-	0.04
		Edelweiss Asset Management Limited	-	0.06
		Edelweiss Global Wealth Management Limited	-	0.03
		Edelweiss Custodial Services Limited	-	0.11
		Edelweiss Investment Adviser Limited	-	0.11
		Edelweiss Comtrade Limited	-	0.02
		Edelweiss Alternative Asset Advisors Limited	-	0.01
		EC Commodity Limited	-	0.01
		Edelweiss Retail Finance Limited	-	0.13
45	Printing & stationary expenses recovered from	Edelweiss Housing Finance Limited	0.01	-
		ECap Equities Limited	0.01	-
		Edelweiss Asset Management Limited	0.02	-
		ECL Finance Limited	0.07	-
		Edelweiss Broking Limited	0.02	-
		Edel Land Limited	0.01	-
46	Staff welfare expenses paid to	Edelweiss Financial Services Limited	8.51	-
		Edelweiss Rural & Corporate Services Limited	0.08	-
47	Staff welfare expenses recovered from	Edelweiss Rural & Corporate Services Limited	-	0.03
48	Cost reimbursements paid to	Edelweiss Financial Services Limited	0.01	-
		Edelweiss Finance & Investments Limited	0.01	-
		Edelweiss Housing Finance Limited	0.02	-
		ECap Equities Limited	0.01	-
		Edelcap Securities Limited	0.01	-
		Edelweiss Rural & Corporate Services Limited	0.97	-
		Edelweiss Asset Management Limited	0.01	-
		Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	0.01	-
		ECL Finance Limited	0.03	-
		Edelweiss Global Wealth Management Limited	0.01	-
		Edelweiss Broking Limited	0.03	-
		Edelweiss Alternative Asset Advisors Limited	0.01	-
		Edelweiss Custodial Services Limited	0.01	-
		Edelweiss Investment Adviser Limited	0.01	-
EC Commodity Limited	0.01	-		
49	Cost reimbursements recovered from	Edel Land Limited	0.01	-
		Edelweiss Finvest Private Limited	0.01	-
		Allium Finance Private Limited	0.01	-
		Edelweiss Tokio Life Insurance Company Limited	0.01	-
		Edel Investments Limited	0.01	-
		Edelweiss Asset Reconstruction Company Limited	0.01	-
		EdelGive Foundation	0.01	-
		Lichen Metals Private Limited	0.01	-
		Edelweiss Comtrade Limited	0.01	-
		Edel Finance Company Limited	0.01	-
		Edelweiss Retail Finance Limited	0.01	-
		Edelweiss General Insurance Company Limited	0.01	-
		Edelweiss Financial Services Limited	0.02	-
		Edelweiss Finance & Investments Limited	0.01	-
Edelweiss Housing Finance Limited	0.06	-		
ECap Equities Limited	0.01	-		
Edelcap Securities Limited	0.02	-		
Edelweiss Rural & Corporate Services Limited	0.34	-		
Edelweiss Asset Management Limited	0.01	-		
Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	0.01	-		
ECL Finance Limited	0.11	-		
Edelweiss Global Wealth Management Limited	0.01	-		
Edelweiss Broking Limited	0.13	-		
Edelweiss Alternative Asset Advisors Limited	0.02	-		
Edelweiss Custodial Services Limited	0.01	-		
Edelweiss Investment Adviser Limited	0.01	-		
EC Commodity Limited	0.01	-		
Edel Land Limited	0.01	-		
Edelweiss Finvest Private Limited	0.01	-		
Allium Finance Private Limited	0.01	-		
Edelweiss Tokio Life Insurance Company Limited	0.01	-		
Edel Investments Limited	0.01	-		
Edelweiss Asset Reconstruction Company Limited	0.03	-		
EdelGive Foundation	0.01	-		
Lichen Metals Private Limited	0.01	-		
Edelweiss Comtrade Limited	0.01	-		
Edel Finance Company Limited	0.01	-		
Edelweiss Retail Finance Limited	0.01	-		
Edelweiss General Insurance Company Limited	0.03	-		



**Edelweiss Securities Limited**

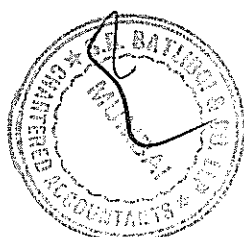
Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

**2.39 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)**

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019
50	Dividend paid on equity	Edelweiss Financial Services Limited	498.06	1,308.06
51	Finance Cost recovered from	ECap Equities Limited	19.37	-
		ECL Finance Limited	0.42	-
		Edelweiss Finvest Private Limited	3.75	-
52	Investment advisory income received from	Edelweiss Broking Limited	0.05	-
53	Inter corporate deposit placed with	Edelweiss Finance & Investments Limited	4,773.20	-
		Edelweiss Broking Limited	4,655.00	-
		ECap Equities Limited	446.52	-
54	Inter corporate deposit withdrawn from	Edelweiss Finance & Investments Limited	4,773.20	-
		Edelweiss Broking Limited	4,655.00	-
55	Other Reimbursements paid to	Edelweiss Rural & Corporate Services Limited	-	1.09
56	Other Reimbursements (ESDP) recovered from	Edelweiss Financial Services Limited	-	445.87
		Edelweiss Rural & Corporate Services Limited	0.01	-
		Edelweiss Global Wealth Management Limited	0.07	-
		Edelweiss Finvest Private Limited	2.14	-
		Edelweiss Tokio Life Insurance Company Limited	0.12	-
57	Remuneration paid to (refer note 2)	Key Management Personnel	37.78	22.39
58	Rent expenses paid to	Edelweiss Rural & Corporate Services Limited	54.45	45.50
		Edelweiss Broking Limited	-	1.81
		Edelweiss Financial Services Limited	0.04	-
		ECap Equities Limited	9.50	4.53
		Edelweiss Global Wealth Management Limited	0.08	-
59	Rent recovered from	Edelweiss Financial Services Limited	3.68	2.15
		Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	2.15	1.74
		Edelweiss Broking Limited	1.40	0.54
		Edelweiss Custodial Services Limited	13.15	0.30
		Edelweiss Investment Adviser Limited	1.89	1.39
		Edelweiss Rural & Corporate Services Limited	0.01	1.24
		Edelweiss Housing Finance Limited	0.06	0.36
		Edelweiss Asset Management Limited	0.11	0.66
		ECL Finance Limited	0.33	0.97
		Edelweiss Global Wealth Management Limited	-	0.26
		Edelweiss Alternative Asset Advisors Limited	-	0.03
		EC Commodity Limited	-	0.03
		Edelweiss Comtrade Limited	0.06	0.17
		Edelweiss Retail Finance Limited	0.26	0.24
		Edelweiss Finvest Private Limited	1.04	-
		Edelweiss General Insurance Company Limited	-	-
60	Transfer of gratuity liability to	Edelweiss Financial Services Limited	41.46	1.91
		Edelweiss Tokio Life Insurance Company Limited	-	-
		ECL Finance Limited	-	2.37
		Edelweiss Broking Limited	-	0.58
		Edelweiss Custodial Services Limited	-	3.69
		Edelweiss Finvest Private Limited	-	0.17
		Edelcap Securities Limited	-	0.09
		Edelweiss Tokio Life Insurance Company Limited	-	0.03
		Edelweiss Finance & Investments Limited	-	0.36
		Edelweiss Alternative Asset Advisors Limited	-	0.73
		EC Commodity Limited	-	-
		Edelweiss Securities (IFSC) Limited*	0.01	0.01
		ECap Equities Limited	-	0.01
		Edel Investments Limited	-	0.11
		Edelweiss General Insurance Company Limited	0.05	-
61	Transfer of gratuity assets to	Edelweiss Rural & Corporate Services Limited	-	0.30
		ECL Finance Limited	-	0.01
		ECap Equities Limited	-	0.01
		EC Commodity Limited	-	0.01
		Edelweiss Asset Management Limited	0.85	-
		Edelweiss Global Wealth Management Limited	1.96	-
		Edelweiss Broking Limited	0.09	-
		Edelweiss Alternative Asset Advisors Limited	0.15	-
		Allium Finance Private Limited	0.01	-
		Edelweiss Tokio Life Insurance Company Limited	15.90	-
		Edelweiss Comtrade Limited	0.13	-
		Edelweiss Finvest Private Limited	2.65	-
62	Loss on sale of investment	Edelweiss Rural & Corporate Services Limited	-	251.27
63	Profit on sale of investment	Edelcap Securities Limited	0.13	-



Edelweiss Securities Limited

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

2.39 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019		
64	Fixed assets sold to	Edelweiss Financial Services Limited	0.01	0.03		
		ECap Equities Limited	0.01	0.01		
		Edelweiss Broking Limited	0.14	1.08		
		Edelweiss Rural & Corporate Services Limited	0.61	0.25		
		EC Commodity Limited	0.01	-		
		ECL Finance Limited	0.55	0.19		
		Edelcap Securities Limited	0.01	0.01		
		Edelweiss Asset Reconstruction Company Limited	0.05	0.01		
		Edelweiss Custodial Services Limited	0.58	0.12		
		Edelweiss Finance & Investments Limited	0.01	-		
		Edelweiss Housing Finance Limited	0.03	0.03		
		Edelweiss Asset Management Limited	0.01	0.01		
		Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	0.01	0.18		
		Edel Finance Company Limited	-	0.04		
		Edel Land Limited	-	0.01		
		Edelweiss Alternative Asset Advisors Limited	-	0.04		
		Edelweiss Comtrade Limited	-	0.03		
		Edelweiss General Insurance Company Limited	0.01	0.01		
		Edelweiss Investment Adviser Limited	0.01	0.03		
		Edelweiss Retail Finance Limited	0.01	0.01		
		Edelweiss Finvest Private Limited	0.48	-		
		65	Fixed assets purchased from	Edelweiss Financial Services Limited	0.07	0.01
				Edelweiss Rural & Corporate Services Limited	2.35	0.28
				ECap Equities Limited	0.01	-
				ECL Finance Limited	0.07	0.13
				Edelweiss Broking Limited	0.71	0.22
				Edelweiss Custodial Services Limited	0.09	0.17
ECap Equities Limited	-			0.03		
Edelweiss Asset Management Limited	0.02			0.01		
Edelweiss Asset Reconstruction Company Limited	0.01			0.04		
Edelweiss Finance & Investments Limited	0.01			0.02		
Edelweiss Housing Finance Limited	0.09			0.09		
Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	-			0.01		
Edelweiss Investment Adviser Limited	0.06			0.03		
Edelweiss Retail Finance Limited	0.03			0.11		
EC Commodity Limited	0.01			-		
Edel Land Limited	0.01			-		
Edelweiss Alternative Asset Advisors Limited	0.02			-		
Edelweiss Global Wealth Management Limited	0.01			-		
Edelweiss Securities (IFSC) Limited*	3.81			-		
66	Director sitting fees	Key management personnel	0.40	0.56		
	Balances with related parties					
67	Short term loans taken from (refer note 1 & 3)	Edelweiss Rural & Corporate Services Limited	8.47	2,028.01		
68	Trade payables to	Edelweiss Financial Services Limited	6.74	0.34		
		Edelweiss Rural & Corporate Services Limited	24.32	109.65		
69	Accrued interest expenses on loan taken	Edelcap Securities Limited	1.54	153.36		
		Edel Land Limited	-	38.84		
		Edel Investments Limited	0.19	-		
		Edelweiss Housing Finance Limited	-	0.07		
		Edelweiss Financial Services Inc.	28.49	19.38		
		Edelweiss Investment Advisors Private Limited	25.49	15.65		
		Edelweiss Financial Services (UK) Limited	15.37	10.59		
		Edelweiss Asset Management Limited	0.20	-		
		ECL Finance Limited	263.64	-		
		Edelweiss Global Wealth Management Limited	8.18	-		
		Edelweiss Custodial Services Limited	7.45	-		
		Edelweiss Finvest Private Limited	126.49	-		
		Edelweiss Stressed and Troubled Assets Revival Fund Trust	0.01	-		
		Edelweiss Rural & Corporate Services Limited	2.38	36.13		
		70	Accrued interest expenses on margin placed by	Edel Land Limited	-	0.01
Edelweiss Rural & Corporate Services Limited	-			0.01		
71	Accrued interest income on margin placed with	Edelweiss Custodial Services Limited	7.37	1.67		
72	Margins payable to clients	Edelweiss Broking Limited	-	0.05		
		Edelweiss Finvest Private Limited	43.32	-		
		ECap Equities Limited	0.14	289.64		
		ECL Finance Limited	64.21	2.14		
		Edel Investments Limited	0.01	0.04		
		Edelcap Securities Limited	0.75	198.22		
		Edel Land Limited	-	0.62		
		Edelweiss Rural & Corporate Services Limited	-	0.34		





Edelweiss Securities Limited

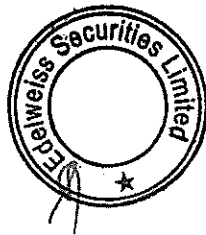
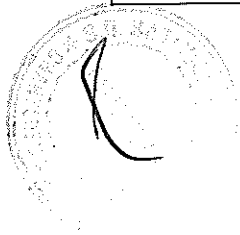
Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

2.39 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”: (Continued)

ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019
73	Margins receivable from clients	Edelweiss Custodial Services Limited	774.95	580.64
		Edelweiss Finvest Private Limited	-	0.01
		Edelweiss Investment Adviser Limited	-	0.08
		EC Commodity Limited	0.02	-
		Edel Land Limited	0.49	-
		Edelweiss Finance & Investments Limited	0.09	0.08
		Edelweiss Rural & Corporate Services Limited	0.10	-
		Edelweiss Securities And Investments Private Limited	0.37	0.01
		Edelweiss Financial Services Limited	41.46	33.53
		Edelweiss Comtrade Limited	-	4.05
74	Other payables on account of gratuity to	Edelweiss Broking Limited	-	0.58
		Edelweiss Finvest Private Limited	-	1.11
		ECL Finance Limited	-	2.37
		Edel Investments Limited	-	0.01
		Edelweiss Alternative Asset Advisors Limited	-	0.73
		Edelweiss Finance & Investments Limited	-	0.01
		Edelweiss Tokio Life Insurance Company Limited	-	0.03
		Edelweiss Investment Adviser Limited	-	0.01
		Edelweiss Securities (IFSC) Limited*	0.01	0.01
		ECap Equities Limited	-	0.01
		Edelweiss Financial Services Inc.	-	0.20
		EC Commodity Limited	-	-
		Edelweiss General Insurance Company Limited	0.05	-
		Edelweiss Rural & Corporate Services Limited	1,000.00	1,000.00
		Edelcap Securities Limited	-	450.00
75	Investments in preference shares in	Edelweiss Rural & Corporate Services Limited	1,000.00	1,000.00
		Edelcap Securities Limited	-	450.00
76	Investments in equity shares	ECL Finance Limited	532.88	532.88
		Edelweiss Custodial Services Limited	714.78	714.78
		Edelweiss Asset Reconstruction Company Limited	307.09	307.09
		Edelweiss Finvest Private Limited	69.19	69.19
		Edelweiss Securities And Investments Private Limited	2.00	2.00
		Edelweiss Financial Services Inc.	79.67	79.67
		Edelweiss Securities (Hong Kong) Private Limited	119.66	46.61
		Edelweiss Financial Services (UK) Limited	26.26	26.26
		Edelweiss Finance & Investments Limited	2,894.43	-
		ESL Securities Limited	0.10	-
77	Inter corporate deposits placed with	ECap Equities Limited	446.52	-
		ECap Equities Limited	37.77	7,378.34
78	Trade receivables from	Edelweiss Finance & Investments Limited	-	0.08
		ECL Finance Limited	-	350.70
		Edelweiss Custodial Services Limited	-	0.38
		Edelweiss Finvest Private Limited	-	0.01
		Edelweiss Securities And Investments Private Limited	0.37	0.01
		Edelweiss Global Wealth Management Limited	-	0.07
		EC Commodity Limited	0.55	0.03
		Edelweiss Rural & Corporate Services Limited	-	0.08
		Edelweiss Investment Adviser Limited	4.38	0.71
		Edelweiss Broking Limited	1.64	0.56
		Edelweiss Asset Management Limited	-	1.52
		Edelweiss Alternative Asset Advisors Limited	0.06	0.01
		Edelweiss Comtrade Limited	0.01	0.05
		Edelweiss Gallagher Insurance Brokers Limited (formerly Edelweiss Insurance Brokers Limited)	0.23	0.63
		Edel Investments Limited	-	4.42
		Edelweiss General Insurance Company Limited	0.49	0.01
		Edel Finance Company Limited	0.01	0.25
		Edelweiss Housing Finance Limited	0.02	-
		Edelweiss Retail Finance Limited	0.67	0.14
		Edelweiss Finance & Investments Limited	0.74	-
		Edel Land Limited	0.49	-
		Allium Finance Private Limited	0.01	-
		Edelweiss Tokio Life Insurance Company Limited	0.17	-
		Edelweiss Asset Reconstruction Company Limited	0.05	-
		EdelGive Foundation	0.01	-
Lichen Metals Private Limited	0.01	-		



**Edelweiss Securities Limited****Notes to the standalone financial statements (Continued)**

(Currency : Indian rupees in millions)

**2.39 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure": (Continued)****II. Transactions with related parties :**

Sr. No.	Nature of Transaction	Related Party Name	For the year ended March 31, 2020	For the year ended March 31, 2019
79	Advances recoverable in cash or in kind on account of gratuity from			
		Edelweiss Financial Services Limited	-	2.43
		Edelweiss Rural & Corporate Services Limited	-	0.30
		ECL Finance Limited	-	0.01
		EC Commodity Limited	-	0.01
		ECap Equities Limited	-	0.01
		Others - Fellow Subsidiaries	-	-
		Edelweiss Asset Management Limited	0.85	-
		Edelweiss Global Wealth Management Limited	1.96	-
		Edelweiss Broking Limited	0.09	-
		Edelweiss Alternative Asset Advisors Limited	0.15	-
		Allium Finance Private Limited	0.01	-
		Edelweiss Tokio Life Insurance Company Limited	15.90	-
		Edelweiss Comtrade Limited	0.13	-

\* Amount is less than ₹ 0.01 million

Note - 1 : As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of intergroup loans given and repaid are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. Interest income and expenses on such loans and advances activities are disclosed on the basis of full amounts of such loans and advances given and repaid.

Note - 2 : Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment 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.

Note - 3 : Loan received from holding company / fellow subsidiary companies and loan given to subsidiary companies are for the general corporate business.



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.40 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and 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 various regulatory authorities. The management ensures that this is complied.

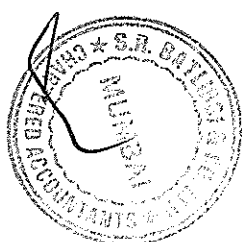
#### 2.41 Foreign currency transactions

The Company has undertaken the following transactions in foreign currency during the year.

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Expenditure incurred in foreign currency (on accrual basis)</b>		
Communication	14.30	30.35
Membership & subscription charges	6.62	4.60
Seminar & conference expenses	3.68	4.04
Computer software	8.22	18.02
Travel	6.71	10.55
Professional fees	85.82	121.61
Commission & Brokerage expenses	1.04	2.84
Other expenses	2.11	7.53
<b>Total</b>	<b>128.50</b>	<b>199.54</b>
<b>Income earned in foreign currency (on accrual basis)</b>		
Research fee income	191.93	91.70
Referral fees income	3.60	7.16
Fee income	0.08	-
<b>Total</b>	<b>195.61</b>	<b>98.86</b>

#### 2.42 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, actual identifications etc. On the same lines, branch running costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.30 include reimbursements paid and are net of reimbursements received based on the management's best estimate.



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.43 Employee Stock Option Plans

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans in force. Based on such ESOP schemes, parent entity has granted an ESOP 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.

#### 2.44 Risk Management framework:-

##### a) Regulatory controls

###### Introduction and risk profile

The Company's overall objective is to manage its broking business, and the associated risks, (such as credit risk, liquidity risk, market risk, operational risk etc.) in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company is regulated by SEBI & respective exchanges with special focus on trade execution & clearing, client fund/security management, exchange & client reporting etc. The Company strives for continual improvement through efforts to enhance systemic & manual controls, ongoing employee training and development and other measures.

###### Risk Management Structure

The company has a well-defined risk management process framework for risk identification, assessment and control in order to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. At the Group level, there is a 'Global Risk Group' which is responsible for managing the risks arising out of various business activities at a central level.

The Company's multi-level risk management process ensures that the margin monitoring processes withstand market volatility. As a result, the Company follows strict margin call process and limits are set and monitored on an ongoing basis.

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. They are assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

###### Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Client introduction, client on-boarding, credit control processes, centralised operations unit, independent internal auditors for checking compliance with the prescribed policies/processes at each transaction level are all segregated. The Company's risk management processes and policies allow layers of multiple checks and verifications.

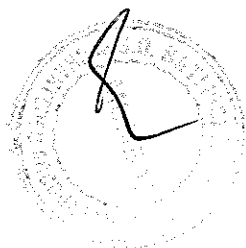
##### b) Approach to capital management

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

###### Debt Equity ratio:

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Total Debt	3,763.00	5,234.95
Equity	4,153.12	3,804.11
Net Debt to Equity	0.91	1.38

2.45 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.46 Credit risk

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables. Company has no significant concentration of credit risk with any counterparty.

The Company's management policy is to closely monitor creditworthiness of counterparties by reviewing their credit ratings, financial statements and press release on regular basis.

The Company's financial assets are subject to the expected credit loss model are only short-term trade and other receivables. All trade receivables are expected to be collected in less than twelve months. Company applies the expected credit loss model for all financial assets and simplified approach for trade receivables for recognition of impairment loss. Expected credit loss allowance based on simplified approach in respect of receivables is computed based on a provision matrix which takes into account historical credit loss experience.

Reconciliation of impairment allowance on trade receivables:

Impairment allowance measured as per simplified approach	₹ in million
Impairment allowance as on 31 March 2020	29.36
Addition/ (Reduction) during the year	(7.75)
Impairment allowance as on 31 March 2019	37.11

#### Trade Receivables Aging and Expected Credit loss (ECL):

Year ended	Days past due	1-90days	91-180 days	181- 360 days	more than	Total
					360 days	
31-Mar-20	ECL rate	0.40%	69.96%	44.72%	100.00%	5.76%
	Gross	477.72	6.59	4.81	20.67	509.79
	ECL	(1.93)	(4.61)	(2.15)	(20.67)	(29.36)
	Net	475.79	1.98	2.66	0.00	480.43
31-Mar-19	Gross	8,657.64	9.99	0.66	24.92	8,693.21
	ECL	(7.58)	(4.10)	(0.57)	(24.86)	(37.11)
	Net	8,650.06	5.89	0.09	0.06	8,656.10

#### Market risks

Risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to price risk.

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

Refer note 2.46 on total market risk exposure

Refer note 2.47 on industry analysis – risk concentration

Refer note 2.48 on collateral held and other credit enhancement

#### Liquidity Risk:

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

The Company's policy is to satisfy redemption requests by the following means (in decreasing order of priority):

- Withdrawal of cash deposits
- Either disposal of other assets or increase of leverage

Refer note 2.49 on contractual maturity analysis of assets and liabilities.

Refer note 2.50 on liquidity reserve

Refer note 2.51 on financial assets to support future funding



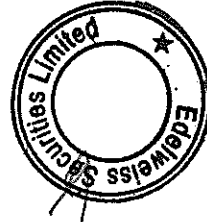
**Edelweiss Securities Limited**

**Notes to the standalone financial statements (Continued)**

(Currency : Indian rupees in millions)

**2.46 Total market risk exposure**

Particulars	March 31, 2020			March 31, 2019		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cash equivalent and other bank balances	3,814.18	-	3,814.18	5,834.98	-	5,834.98
Stock-in-trade	0.13	-	0.13	0.13	-	0.13
Loans	447.39	-	447.39	0.31	-	0.31
Trade receivable	480.43	-	480.43	8,656.10	-	8,656.10
Financial investments- Amortised cost - Group co.	723.79	-	723.79	1,110.41	-	1,110.41
Other financial assets	1,010.56	-	1,010.56	685.83	-	685.83
<b>Total</b>	<b>6,476.48</b>	<b>-</b>	<b>6,476.48</b>	<b>16,287.76</b>	<b>-</b>	<b>16,287.76</b>
<b>Liability</b>						
Borrowings (other than Debt Securities)	3,763.00	-	3,763.00	5,234.95	-	5,234.95
Trade payables	907.96	-	907.96	1,536.61	-	1,536.61
Subordinated Liabilities	2,988.83	-	2,988.83	-	-	-
Other liabilities	197.67	-	197.67	8,569.65	-	8,569.65
<b>Total</b>	<b>7,857.46</b>	<b>-</b>	<b>7,857.46</b>	<b>15,341.21</b>	<b>-</b>	<b>15,341.21</b>



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### Analysis of risk concentration

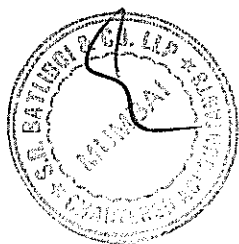
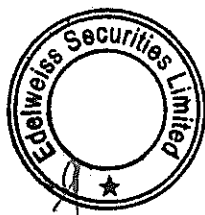
##### 2.47 Industry analysis - Risk concentration for March 31, 2020

The following table shows the risk concentration by industry for the components of the balance sheet.

Particulars	ESL	
	Financial services	Total
<b>Financial assets</b>		
Cash and cash equivalent	3,814.18	3,814.18
Stock in trade	0.13	0.13
Other financial assets	1,010.56	1,010.56
Trade and other receivables	480.43	480.43
Loans	447.39	447.39
	5,752.69	5,752.69
Other Commitments	-	-
<b>Total</b>	<b>5,752.69</b>	<b>5,752.69</b>

##### Industry analysis - Risk concentration for March 31, 2019

Particulars	ESL	
	Financial services	Total
<b>Financial assets</b>		
Cash and cash equivalent	5,834.99	5,834.99
Stock in trade	0.13	0.13
Other financial assets	686.14	686.14
Trade and other receivables	8,656.10	8,656.10
	15,177.36	15,177.36
Other Commitments	-	-
<b>Total</b>	<b>15,177.36</b>	<b>15,177.36</b>



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

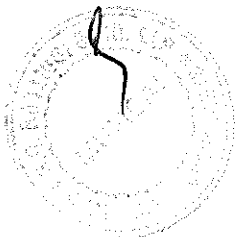
(Currency : Indian rupees in millions)

#### 2.48 Collateral held and other credit enhancements

The tables on the following pages show 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
<b>Financial assets</b>		
Loans	447.39	
Trade receivables	480.43	Securities
Other financial assets	1,010.56	
Investments in Preference shares at amortized cost	723.79	
<b>Total financial assets at amortised cost</b>	<b>2,662.17</b>	
<b>Total financial instruments at fair value through profit or loss</b>	<b>-</b>	
<b>Total debt instruments at fair value through OCI</b>	<b>-</b>	
	<b>2,662.17</b>	
<b>Other commitments (max exposure)</b>	<b>-</b>	
<b>Total</b>	<b>2,662.17</b>	

March 31, 2019	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
<b>Financial assets</b>		
Loans	0.31	
Trade receivables	8,656.10	Securities & Bank guarantees
Other financial assets	685.83	Securities
Investments in Preference shares at amortized cost	1,110.41	
<b>Total financial assets at amortised cost</b>	<b>10,452.66</b>	
<b>Total financial instruments at fair value through profit or loss</b>	<b>-</b>	
<b>Total debt instruments at fair value through OCI</b>	<b>-</b>	
	<b>10,452.66</b>	
<b>Other commitments (max exposure)</b>	<b>-</b>	
<b>Total</b>	<b>10,452.66</b>	





**Edelweiss Securities Limited**

Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

**2.49 Analysis of non-derivative financial liabilities by remaining contractual maturities**

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

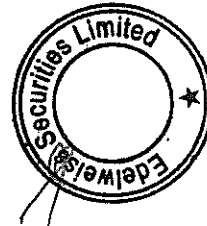
	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
<b>As at 31 March 2020</b>											
Trade payables	507.96	-	-	-	-	-	-	-	-	-	907.96
Borrowings (other than debt securities)	3,763.00	-	-	-	-	-	-	-	-	-	3,763.00
Other financial liabilities	84.83	84.83	4.07	-	-	-	-	0.06	108.71	-	197.67
<b>Total undiscounted non-derivative financial liabilities</b>	<b>4,670.97</b>	<b>84.83</b>	<b>4.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.06</b>	<b>108.71</b>	<b>-</b>	<b>4,868.63</b>
<b>As at 31 March 2019</b>											
Trade payables	-	1,536.61	-	-	-	-	-	-	-	-	1,536.61
Borrowings (other than debt securities)	5,234.95	-	-	-	-	-	-	-	-	-	5,234.95
Other financial liabilities	8,567.65	-	-	2.00	-	-	-	-	-	-	8,569.65
<b>Total undiscounted non-derivative financial liabilities</b>	<b>13,802.60</b>	<b>1,536.61</b>	<b>-</b>	<b>2.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,341.21</b>

**Analysis of non-derivative financial assets by remaining contractual maturities**

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

	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
<b>As at 31 March 2020</b>											
Cash and cash equivalent and other bank balances	1,142.58	-	-	502.97	-	40.33	1,236.63	901.59	-	-	3,814.18
Stock-in-trade	-	-	-	-	-	-	-	0.13	-	-	0.13
Loans	-	-	-	-	283.50	-	163.02	0.87	-	-	447.39
Trade receivables	-	480.43	-	-	-	-	-	-	-	-	480.43
Other financial assets	-	-	-	-	-	-	-	-	-	1,010.57	1,010.57
<b>Total</b>	<b>1,142.58</b>	<b>480.43</b>	<b>-</b>	<b>502.97</b>	<b>283.50</b>	<b>40.33</b>	<b>1,399.72</b>	<b>902.60</b>	<b>-</b>	<b>1,010.57</b>	<b>5,752.89</b>

	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
<b>As at 31 March 2019</b>											
Cash and cash equivalent and other bank balances	5,834.99	-	-	-	-	-	-	-	-	-	5,834.99
Stock-in-trade	0.13	-	-	-	-	-	-	-	-	-	0.13
Trade receivables	-	8,656.10	-	-	-	-	-	-	-	-	8,656.10
Loans	-	-	-	-	-	-	0.31	-	-	-	0.31
Other financial assets	32.26	604.05	-	-	-	-	-	49.51	-	-	685.82
<b>Total</b>	<b>5,867.38</b>	<b>9,260.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.31</b>	<b>49.51</b>	<b>-</b>	<b>-</b>	<b>15,177.35</b>



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.48 Collateral held and other credit enhancements

The tables on the following pages show 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
<b>Financial assets</b>		
Loans	447.39	
Trade receivables	480.43	Securities
Other financial assets	1,010.56	
Investments in Preference shares at amortized cost	723.79	
<b>Total financial assets at amortised cost</b>	<b>2,662.17</b>	
<b>Total financial instruments at fair value through profit or loss</b>	<b>-</b>	
<b>Total debt instruments at fair value through OCI</b>	<b>-</b>	
	<b>2,662.17</b>	
<b>Other commitments (max exposure)</b>	<b>-</b>	
<b>Total</b>	<b>2,662.17</b>	

March 31, 2019	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
<b>Financial assets</b>		
Loans	0.31	
Trade receivables	8,656.10	Securities & Bank guarantees
Other financial assets	685.83	Securities
Investments in Preference shares at amortized cost	1,110.41	
<b>Total financial assets at amortised cost</b>	<b>10,452.66</b>	
<b>Total financial instruments at fair value through profit or loss</b>	<b>-</b>	
<b>Total debt instruments at fair value through OCI</b>	<b>-</b>	
	<b>10,452.66</b>	
<b>Other commitments (max exposure)</b>	<b>-</b>	
<b>Total</b>	<b>10,452.66</b>	



**Edelweiss Securities Limited**

**Notes to the standalone financial statements (Continued)**

(Currency: Indian rupees in millions)

**2.49 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 31 March. 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.

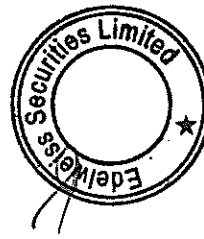
	On demand	1 to 14 days	15 days to 1 month	1 month to 1 months	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
<b>As at 31 March 2020</b>												
Trade payables	907.96	-	-	-	-	-	-	-	-	-	-	907.96
Borrowings (other than debt securities)	3,763.00	-	-	-	-	-	-	-	-	-	-	3,763.00
Other financial liabilities	-	84.83	4.07	4.07	-	-	-	-	0.06	108.71	-	197.67
<b>Total undiscounted non-derivative financial liabilities</b>	<b>4,670.97</b>	<b>84.83</b>	<b>4.07</b>	<b>4.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.06</b>	<b>108.71</b>	<b>-</b>	<b>4,868.63</b>
<b>As at 31 March 2019</b>												
Trade payables	-	1,536.61	-	-	-	-	-	-	-	-	-	1,536.61
Borrowings (other than debt securities)	5,234.95	-	-	-	-	-	-	-	-	-	-	5,234.95
Other financial liabilities	8,567.65	-	-	2.00	2.00	-	-	-	-	-	-	8,569.65
<b>Total undiscounted non-derivative financial liabilities</b>	<b>13,802.60</b>	<b>1,536.61</b>	<b>-</b>	<b>2.00</b>	<b>2.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,341.21</b>

**Analysis of non-derivative financial assets by remaining contractual maturities**

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

	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
<b>As at 31 March 2020</b>											
Cash and cash equivalent and other bank balances	1,142.59	-	-	502.97	-	40.33	1,236.69	901.59	-	-	3,814.18
Stock-in-trade	-	-	-	-	283.50	-	163.02	0.13	-	-	447.39
Loans	-	480.43	-	-	-	-	-	-	-	-	480.43
Trade receivables	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-	-	-	1,010.57	1,010.57
<b>Total</b>	<b>1,142.59</b>	<b>480.43</b>	<b>-</b>	<b>502.97</b>	<b>283.50</b>	<b>40.33</b>	<b>1,389.72</b>	<b>902.60</b>	<b>-</b>	<b>1,010.57</b>	<b>5,752.69</b>

	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
<b>As at 31 March 2019</b>											
Cash and cash equivalent and other bank balances	5,834.99	-	-	-	-	-	-	-	-	-	5,834.99
Stock-in-trade	0.13	-	-	-	-	-	-	-	-	-	0.13
Trade receivables	-	8,656.10	-	-	-	-	-	-	-	-	8,656.10
Loans	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	32.26	604.05	-	-	-	-	0.31	49.51	-	-	685.82
<b>Total</b>	<b>5,867.38</b>	<b>9,260.15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.31</b>	<b>49.51</b>	<b>-</b>	<b>-</b>	<b>15,177.35</b>



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.50 Liquidity reserve

	March 31, 2020		March 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Cash and cash equivalent	536.39	536.39	635.34	635.34
Bank Balance	3,277.79	3,277.79	5,199.64	5,199.64
<b>Total Liquidity reserves</b>	<b>3,814.18</b>	<b>3,814.18</b>	<b>5,834.98</b>	<b>5,834.98</b>

Apart from the above mentioned assets, the Company also has undrawn loan commitments amounting to ₹ 1248.27 millions as on March 31, 2020, ₹ 5,737.32 millions as on March 31, 2019.

#### 2.51 Financial assets available to support future funding

31 March 2020	Pledge as collateral	Contractually/legally restricted assets <sup>1</sup>	Available as collateral	others <sup>2</sup>	Total carrying amount
Cash and cash equivalent including bank balance	3,246.87	-	567.31	-	3,814.18
Stock in trade	-	-	0.13	-	0.13
Trade receivables	-	-	480.43	-	480.43
Receivable from Exchange	-	797.25	-	-	797.25
loans & advances	-	-	447.39	-	447.39
Deposits	213.30	-	-	-	213.30
Investments at amortised cost - Group co.	-	-	723.79	-	723.79
Investments at cost - Group co.	-	-	4,746.06	-	4,746.06
Tax	-	202.74	-	-	202.74
Fixed assets - Tangible	-	-	900.93	-	900.93
Fixed assets - Intangible	-	21.45	-	-	21.45
Capital work in progress	-	-	4.41	-	4.41
Other non financial assets	-	-	42.62	-	42.62
<b>Total assets</b>	<b>3,460.17</b>	<b>1,021.44</b>	<b>7,913.07</b>	<b>-</b>	<b>12,394.68</b>

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

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

31 March 2019	Pledge as collateral	Contractually/legally restricted assets <sup>1</sup>	Available as collateral	others <sup>2</sup>	Total carrying amount
Cash and cash equivalent including bank balance	5,159.26	-	675.73	-	5,834.99
Stock in trade	-	-	0.13	-	0.13
Trade receivables	-	-	8,656.10	-	8,656.10
Receivable from Exchange	-	604.05	-	-	604.05
loans & advances	-	-	0.31	-	0.31
Deposits	81.78	-	-	-	81.78
Investments at amortised cost - Group co.	-	-	1,110.41	-	1,110.41
Investments at cost - Group co.	-	-	1,778.48	-	1,778.48
Tax	-	848.99	-	-	848.99
Fixed assets - Tangible	-	-	261.73	-	261.73
Fixed assets - Intangible	-	36.63	-	-	36.63
Capital work in progress	-	-	21.43	-	21.43
Other non financial assets	-	-	86.99	-	86.99
<b>Total assets</b>	<b>5,241.04</b>	<b>1,489.67</b>	<b>12,591.31</b>	<b>-</b>	<b>19,322.02</b>

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

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



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.52 Fair value measurement

##### a) Asset by fair value hierarchy

March 31, 2020

Particulars	Total fair value	Level 1	Level 2	Level 3
Building (refer note 2.9)	662.56	-	-	662.56

March 31, 2019

Particulars	Total fair value	Level 1	Level 2	Level 3
Building	-	-	-	-

##### b) Financial instruments not measured at fair value

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2020 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Financial assets	Total carrying	Total fair value	Level 1	Level 2	Level 3
Investments at amortised cost - Group co.	723.79	723.79	-	723.79	-
<b>Total</b>	<b>723.79</b>	<b>723.79</b>	<b>-</b>	<b>723.79</b>	<b>-</b>

Financial liabilities	Total carrying	Total fair value	Level 1	Level 2	Level 3
Subordinated liabilities	2,988.83	2,988.83	-	2,988.83	-
<b>Total</b>	<b>2,988.83</b>	<b>2,988.83</b>	<b>-</b>	<b>2,988.83</b>	<b>-</b>

March 31, 2019

Financial assets	Total	Total fair value	Level 1	Level 2	Level 3
Investments at amortised cost - Group co.	1,110.41	1,110.41	-	1,110.41	-
<b>Total</b>	<b>1,110.41</b>	<b>1,110.41</b>	<b>-</b>	<b>1,110.41</b>	<b>-</b>

Financial liabilities	Total	Total fair value	Level 1	Level 2	Level 3
Subordinated liabilities	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 2.53 Details of dues to micro 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 afore mentioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.



## Edelweiss Securities Limited

### Notes to the standalone financial statements (Continued)

(Currency : Indian rupees in millions)

#### 2.54 Margin received from clients

Particulars	As at March 31, 2020	As at March 31, 2019
Cash margin	0.79	1.13
<b>Non-cash margin</b>		
- Securities*	213.62	293.54
- Fixed deposits	-	-
- Bank guarantees	-	7.00
<b>Total non-cash margin</b>	<b>213.62</b>	<b>300.54</b>
<b>Total margin received</b>	<b>214.41</b>	<b>301.67</b>

\*Securities received as non-cash margin from clients as collateral are held in the Company's client Demat account.

#### 2.55 Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross amount required to be spent by the Company as per the provisions of section 135 of Companies Act, 2013	12.11	5.49
Amount spent (paid in cash)		
i) Construction / acquisition of any assets	Nil	-
ii) On purpose other than (i) above	Nil	2.50
Amount spent (yet to be paid in cash)		
i) Construction / acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
Amount paid to EdelGive Foundation (refer note 2.39 related party disclosure)	Nil	2.50
paid to external parties	-	-
	-	2.50

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. As per Section 135 of Companies Act, 2013, gross amount required to be spent by the Group towards CSR activities for FY 2019-2020 was Rs. 273.68 million of which the actual amount spent during the year amounted to Rs. 308.14 million. Refer note 2.30 to the financial statement.

#### 2.56 COVID 19

The COVID - 19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activities across the world. Government too has imposed lockdowns starting from March 24, 2020. The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID - 19 pandemic on the Company's results remains uncertain and dependent on the current and further spread of COVID - 19 and also the time it takes for economic activities to resume and reach the normal levels.

The Company has assessed the impact of COVID - 19 pandemic on its liquidity and ability to repay its obligations as and when they are fall due. Based on the sensitivity analysis conducted on stress scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. The Company would continue to focus on maintaining adequate capital and ensuring liquidity at all points in time.

#### 2.57 Previous year comparatives

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

Signature to notes forming an integral part of the financial statements.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number:301003E/E300005

Shrawan Jalan  
Partner  
Membership No:102102

Mumbai  
July 03, 2020

For and on behalf of the Board of Directors

Atul Bapna  
Executive Director  
DIN :07376744

Shiv Sehgal  
Executive Director  
DIN:07112524

Sandesh Sawant  
Chief Financial Officer

Tarun Khurana  
Company Secretary

Mumbai  
July 03, 2020

