

Edelweiss Comtrade Limited

Financial Statements

together with Auditors' Report

for the year ended 31 March 2019

Edelweiss Comtrade Limited

Financial statements together with Auditors' Report
for the year ended 31 March 2019

Contents

Auditors' Report

Balance sheet

Statement of profit and loss

Statement of changes on Equity

Cash flow statement

Notes to the financial statements

G. K. Choksi & Co.

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of
EDELWEISS COMTRADE LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the Standalone Ind AS Financial Statements of **EDELWEISS COMTRADE LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as Standalone Ind AS Financial Statements).

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 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 opinion.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including Annexure to Board's Report but does not include the financial statements and our auditors' report thereon.

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

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Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements

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

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



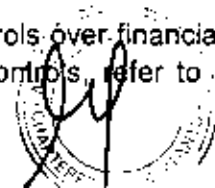
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its 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 G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

3

SANDIP A. PARIKH
Partner
Mem. No. 40727

Place : Mumbai
Date : May 9, 2019



Annexure - A to the Independent Auditors' Report of even date on standalone Ind AS financial statements of EDELWEISS COMTRADE LIMITED

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The fixed assets have been physically verified by the management at reasonable intervals having regard to size of company and nature of its assets. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The company does not have any immovable property and accordingly clause 3 (i)(c) of the order is not applicable on the company.
- (ii) The company does not hold any inventory as at the end of the year. Accordingly, the clauses 3(ii)(a) to (c) of the order are not applicable.
- (iii) As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013;
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, wherever applicable with respect to the loans, investments, guarantees and securities.
- (v) According to information and explanations given to us, the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) Maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 for the class of companies to which the Company belongs.
- (vii) (a) According to the information given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues and Company had no arrears of such outstanding statutory dues as at March 31, 2019 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the company has no disputed outstanding statutory dues as at March 31, 2019 *other than stated below:-*

Name of the Statute	Nature of Dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,55,98,940	A. Y. 2013-14	CIT(A)
Finance Act, 1994	Service-tax	5,85,426	F.Y. 2004-2005 to F.Y. 2011-2012	Customs, Excise and Service Tax Appellate Tribunal/Commissioner of Service-tax (Appeal).

- (viii) According to the information and explanations given to us, the Company does not have any loans and borrowings from financial institutions, banks, government or dues to debenture holders during the year. Accordingly, the provisions of Clause 3(viii) of the Order are not applicable to the Company.



- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. According to the information and explanations given to us, the company has also not raised money by way of term loans during the year under review.
- (x) According to the information and explanations given to us, no fraud by company or any fraud on the company by its officers and employees have been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration during the year under review. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

3

SANDIP A. PARIKH
Partner
Mem. No. 40727

Place : Mumbai
Date : May 9, 2019



Annexure - B to the Independent Auditors' Report of even date on the standalone Financial Statements of EDELWEISS COMTRADE 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 COMTRADE LIMITED** ("the Company") as of March 31, 2019 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

3

SANDIP A. PARIKH
Partner
Mem. No. 40727

Place : Mumbai
Date : May 9, 2019



Edelweiss Comtrade Limited

Balance Sheet

(Currency - Indian rupees in thousands)

	Note	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
ASSETS				
Financial assets				
(a) Cash and cash equivalents	8	18,153.90	176,556.17	34,125.46
(b) Bank balances other than cash and cash equivalents	9	9,550.31	9,551.94	10,074.11
(c) Trade Receivables	10	7,828.75	26,095.55	17,217.50
(d) Loans	11	244.67	327.03	524.99
(e) Other financial assets	12	439,767.50	320,771.99	327,706.65
		475,545.13	533,302.68	389,648.71
Non-financial assets				
(a) Current tax assets (net)	13	5,497.16	4,720.30	2,975.37
(b) Deferred tax assets (net)	14	6,262.33	6,034.62	7,101.66
(c) Property, Plant and Equipment	15	750.52	1,021.78	1,503.34
(d) Other Intangible assets	16	10.09	10.44	18.57
(e) Other non financial assets	17	8,494.20	9,066.24	4,896.98
		21,014.30	20,853.38	16,495.92
TOTAL ASSETS		496,559.43	554,156.06	406,144.63
LIABILITIES AND EQUITY				
Financial liabilities				
(a) Trade Payables				
(i) total outstanding dues of micro enterprises and small enterprises	49	-	-	118.13
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	346,523.00	248,343.77	212,330.92
(b) Borrowings (other than debt securities)	19	106,894.34	220,643.12	111,794.77
(c) Other financial liabilities	20	3,548.84	16,401.34	15,527.86
		456,966.18	485,388.23	339,771.18
Non-financial liabilities				
(a) Current tax liabilities (net)	21	-	674.66	674.66
(b) Provisions	22	416.27	384.48	946.00
(c) Other non-financial liabilities	23	2,990.61	3,626.78	3,769.64
		3,406.88	4,685.92	5,390.30
Equity				
(a) Equity share capital	24	290,000.00	290,000.00	230,000.00
(b) Other equity	25	(253,813.63)	(225,918.09)	(169,016.85)
		36,186.37	64,081.91	60,983.15
TOTAL LIABILITIES AND EQUITY		496,559.43	554,156.06	406,144.63

Significant accounting policies forming part of the financial statements.

1- 52

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

For G. K. Choksi & Co.
Chartered Accountants
Firm's Registration No. 101815W

3
Anil A. Parikh
Partner
Membership No: 40727

Place: Mumbai
Date: May 9, 2019



For and on behalf of the Board of Directors

Rajesh Mendon
Executive Director
DIN : 07627485

Dinesh Thadani
Chief Financial Officer

Place: Mumbai
Date: May 9, 2019

T.K. Ramaswamy
Director
DIN : 01158701

Shraddha Shetty
Company Secretary

Edelweiss Comtrade Limited

Statement of Profit and Loss

(Currency: Indian rupees in thousands)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Fee and commission income	26	59,553.84	58,847.96
Interest income	27	27,411.19	22,836.69
Other operating revenue	28	-	66.48
Total Revenue from operations		86,965.03	81,751.13
Other income	29	5,096.38	702.85
Total Income		92,061.41	82,453.98
Expenses			
Finance costs	30	21,378.98	22,264.38
Impairment on financial instruments	31	1,438.20	726.55
Employee benefits expense	32	41,693.78	60,214.14
Depreciation, amortisation and impairment	15,16	615.09	633.02
Other expenses	33	54,279.70	48,342.95
Total expenses		119,405.75	132,181.04
Loss before tax		(27,344.34)	(49,727.06)
Tax expenses:			
Current tax		436.91	(882.71)
Deferred tax		(227.71)	1,067.04
Loss for the year		(27,553.54)	(48,911.39)
Other Comprehensive Income			
Earning per equity share (Face value of Rs. 10 each)			
Remeasurement loss on defined benefit plans (OCI)		(342.00)	(3,978.00)
Other Comprehensive Income		(342.00)	(3,978.00)
Total Comprehensive Income		(27,895.54)	(53,889.39)
Earnings per equity share (Face value of ₹ 10 each):	35		
(1) Basic (in Rs.)		(0.95)	(2.13)
(2) Diluted (in Rs.)		(0.95)	(2.13)

Significant accounting policies forming part of the financial statements.

1-52

This is the statement of profit and loss referred to in our report of even date.

For G. K. Choksi & Co.
Chartered Accountants
Firm's Registration No. 101895V

Sandip A. Parikh
Partner
Membership No: 40727

Place: Mumbai
Date: May 9, 2019



For and on behalf of the Board of Directors

Rajesh Mendon
Executive Director
DIN : 07627485

T.K. Ramaswamy
Director
DIN : 0558707

Dinesh Thadani
Chief Financial Officer

Shrawika Shetty
Company Secretary

Place: Mumbai
Date: May 9, 2019

Edelweiss Comtrade Limited

Statement in changes in equity

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018
A) Equity share capital		
Balance as at beginning of the year	290,000.00	230,000.00
Changes in equity share capital during the year	-	60,000.00
Balance at the end of the year	290,000.00	290,000.00

B) Other Equity

Particulars	Deemed capital contribution - ESOP (refer note a below)	Retained Earnings	Total
Balance at April 01, 2017	5,526.00	(174,542.85)	(169,016.85)
Total Comprehensive Income for the year	-	(53,889.39)	(53,889.39)
ESOP charge	(3,011.85)	-	(3,011.85)
Balance at March 31, 2018 (Ind AS)	2,514.15	(228,432.24)	(225,918.09)
Total Comprehensive Income for the year	-	(27,895.54)	(27,895.54)
Balance at March 31, 2019 (Ind AS)	2,514.15	(256,327.78)	(253,813.63)

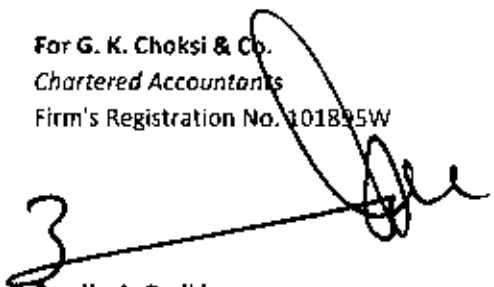
Note:


a) Deemed capital contribution - ESOP

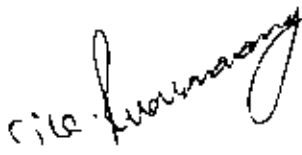
Certain employees of the Company have been granted options to acquire equity shares of the Holding Company (Edelweiss Financial Services Limited). This reserve represents the cost of these options based on their fair value at the grant dates as recognised over the vesting period of such options, to the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

For G. K. Choksi & Co.
Chartered Accountants
Firm's Registration No. 101895W

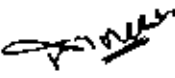
For and on behalf of the Board of Directors



Sandip A. Parikh
Partner
Membership No: 40727


Rajesh Mendon
Executive Director
DIN : 07627485


T.K. Ramaswamy
Director
DIN : 05158707

Place: Mumbai
Date: May 9, 2019


Dinesh Thadani
Chief Financial Officer


Shradha Shetty
Company Secretary

Place: Mumbai
Date: May 9, 2019



Edelweiss Comtrade Limited

Cash Flow Statement

(Currency : Indian rupees in thousands)

	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Loss before tax	(27,344.34)	(49,727.06)
<i>Adjustments for</i>		
Depreciation and amortization expenses	615.09	633.02
Provision for expected credit loss on trade receivables	1,438.20	726.55
Expense on Employee Stock Option Scheme (ESOP)	-	(3,011.86)
Loss/ (Profit) on sale/ write-off of fixed assets (net)	(2.37)	9.47
Interest income	(279.49)	(726.70)
Interest expense	21,378.98	22,264.38
Operating cash flow before working capital changes	(4,193.93)	(29,832.20)
<i>Adjustments for working capital changes</i>		
Decrease/ (Increase) in trade receivables	16,828.60	(9,604.61)
(Increase)/ Decrease in loans and other financial assets	(118,913.14)	7,654.23
Decrease/ (Increase) in other non-financial assets	230.03	(8,147.26)
Increase in trade payables and other financial liabilities	85,742.92	36,866.60
Decrease in non financial liabilities	(604.38)	(704.38)
Cash used in operations	(20,909.90)	(3,767.62)
Income taxes paid	1,888.43	862.22
Net cash used in operating activities - A	(22,798.33)	(4,629.84)
B Cash flow from investing activities		
Purchase of tangible and intangible assets	(371.50)	(735.67)
Sale of fixed assets	30.38	582.89
Interest received	281.12	727.26
Net cash (used in)/ generated from investing activities - B	(60.00)	574.48
C Cash flow from financing activities		
Proceeds from issue of share capital	-	60,000.00
(Repayment)/ Proceeds from unsecured loan*	(113,748.78)	108,848.85
Interest paid	(21,795.16)	(22,362.78)
Net cash (used in)/ generated from financing activities - C	(135,543.94)	146,486.07
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(158,402.27)	142,430.71
Cash and cash equivalent as at the beginning of the year	176,556.17	34,125.46
Cash and cash equivalent as at the end of the year (refer note 8)	18,153.90	176,556.17

*Net figures have been reported on account of volume of transactions.

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

For G. K. Choksi & Co.
Chartered Accountants
Firm's Registration No. 102895W

Sandip A. Parikh
Partner
Membership No: 40727

Place: Mumbai
Date: May 9, 2019



For and on behalf of the Board of Directors

Rajesh Mendon
Executive Director
DIN : 07627485

T. K. Ramaswamy
Director
DIN : 05158707

Dinesh Thadani
Chief Financial Officer

Shraddha Shetty
Company Secretary

Place: Mumbai
Date: May 9, 2019

Edelweiss Comtrade Limited

Notes to the financial statements for the year ended March 31, 2019

1. Background

Edelweiss Comtrade Limited ("the Company") was incorporated in India on March 31, 1995. The Company is a 100% subsidiary of Edelweiss Rural & Corporate Services Limited which in turn is a 100% subsidiary of Edelweiss Financial Services Limited.

The Company is a member of Multi-commodity Exchange of India Limited, National Commodity and Derivatives Exchange Limited and NCDEX e Markets Limited (formerly known as NCDEX Spot Exchange Limited). The Company provides commodity broking services to the clients.

2. Basis of preparation of financial statements

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

For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended March 31, 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 51 for information on how the Company adopted Ind AS.

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

3. Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 38.

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

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended March 31, 2019

4. Significant accounting policies

4.1 Recognition of interest

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

4.2 Financial Instruments

a) Date of recognition

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

b) Initial measurement of financial instruments

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

4.3 Classification of financial instruments

a) Financial assets:

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

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

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

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended March 31, 2019

4.3 Classification of financial instruments (Continued)

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

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

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

i. Amortized cost and Effective interest method:

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

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

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

ii. Investment in equity instruments

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

b) Financial liabilities:

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



Edelweiss Comtrade Limited

Notes to the financial statements for the year ended March 31, 2019

4.3 Classification of financial instruments (Continued)

Debt securities and other borrowed funds

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

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

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

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

d) Financial liabilities and equity instruments

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

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

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

4.4 Derecognition of financial assets and financial liabilities

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

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

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended March 31, 2019

4.4 Derecognition of financial assets and financial liabilities (Continued)

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

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

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

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

c) Derecognition of financial liabilities:

A financial liability is 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 financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

4.5 Reclassification of financial assets and financial liabilities

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

4.6 Impairment of financial assets

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

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an



Edelweiss Comtrade Limited

Notes to the financial statements for the year ended March 31, 2019

4.6 Impairment of financial assets (Continued)

impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

4.7 Collateral valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of guarantees. Collateral, unless repossessed, is not recorded on the balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a periodical basis. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

4.8 Write off

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

4.9 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:



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended March 31, 2019

4.9 Determination of fair value (Continued)

- Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

4.10 Revenue from contract with customer

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

Brokerage income on commodities broking business is recognised as per contracted rates at the execution of transactions on behalf of the customers on the trade date and is reflected net of related sub-brokerage expenses, goods and service tax ("GST"), transaction charges and stock exchange expenses.

4.11 Operating leases

Operating lease payments are recognized 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 recognized based on contractual terms. Contingent rental payable is recognized as an expense in the period in which it is incurred.



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended March 31, 2019

4.12 Earnings per share

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

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

4.13 Retirement and other employee benefit

Provident fund and national pension scheme

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

Gratuity

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

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

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

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

Compensated Absences

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

4.14 Share-based payment arrangements

Certain employees of the Company have been granted equity-settled ESOPs by the ultimate parent company (Edelweiss Financial Services Limited). The Company recognizes a cost with respect to the services received from the said employees measured by reference to the fair value of the equity



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended March 31, 2019

4.14 Share-based payment arrangements (Continued)

instruments granted by the ultimate parent at the grant date.

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

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the deemed capital contribution to the extent it is not recovered by the ultimate parent company. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

4.15 Property, plant and equipment

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 amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

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

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

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



Edelweiss Comtrade Limited

Notes to the financial statements for the year ended March 31, 2019

4.15 Property, plant and equipment (Continued)

Estimated useful lives of the assets are as follows:

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

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

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.

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

For transition to Ind AS, the Company has elected to continue with carrying value of all of its property, plant and equipment recognised as of April 1, 2017 (transition date) measured as per the previous GAAP notified by MCA rules 2006 and use that carrying value as its deemed cost as of the transition date.

4.16 Intangible assets

The Company's intangible assets mainly include the value of computer software. 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 assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life.

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

4.17 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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended March 31, 2019

4.17 Impairment of non-financial assets (Continued)

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.

4.18 Cash and cash equivalents

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

4.19 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

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

4.20 Income tax expenses

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

a) Current tax

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended March 31, 2019

4.20 Income tax expenses (Continued)

b) Deferred tax

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

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

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

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

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

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

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

c) Current and deferred tax for the year

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

5 Critical accounting judgements and key sources of estimation uncertainty

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

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended March 31, 2019

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

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 financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

b) Accounting for deferred taxes

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

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

6 Standards issued but not yet effective

AS 116 Leases:

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The application of this standard is not likely to have a material impact on the Financial statements.

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended March 31, 2019

7 Annual Improvements to Ind AS (2018)

a) Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19)

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after April 1, 2019.

b) Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12)

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

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

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

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



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
8 Cash and cash equivalents			
Balances with banks			
- in current accounts	18,153.90	176,556.17	34,125.46
	18,153.90	176,556.17	34,125.46
9 Bank balances other than cash and cash equivalents			
Fixed deposits (refer note 46)	9,550.31	9,551.94	10,074.11
	9,550.31	9,551.94	10,074.11
10 Trade receivables			
Receivables considered good - Secured	7,107.47	11,646.42	16,384.02
Receivables considered good - Unsecured	721.28	14,449.13	833.48
Receivables - Credit impaired	21,111.61	19,673.41	18,946.86
	28,940.36	45,768.96	36,164.36
Less : Allowance for expected credit losses	21,111.61	19,673.41	18,946.86
	7,828.75	26,095.55	17,217.50



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

10 Trade receivables (Continued)

Reconciliation of impairment allowance on trade receivables:

Impairment allowance measured as per simplified approach	Amount (₹)
Impairment allowance as on April 01, 2017	18,946.86
Add: asset originated or acquired (net)	726.55
Impairment allowance as on March 31, 2018	19,673.41
Add: asset originated or acquired (net)	1,438.20
Impairment allowance as on March 31, 2019	<u>21,111.61</u>

Provision matrix for trade receivables

Trade receivables days past due	1-90 days	91-180 days	more than 180 days	Total
March 31, 2019				
Estimated total gross carrying amount at default	1,087.88	427.90	27,424.58	28,940.36
ECL - Simplified approach	(219.70)	(265.01)	(20,526.90)	(21,111.61)
Net carrying amount	<u>868.18</u>	<u>162.89</u>	<u>6,797.68</u>	<u>7,828.75</u>
March 31, 2018				
Estimated total gross carrying amount at default	14,950.08	858.32	29,960.56	45,768.96
ECL - Simplified approach	(67.60)	(190.14)	(19,415.67)	(19,673.41)
Net carrying amount	<u>14,882.48</u>	<u>668.18</u>	<u>10,544.89</u>	<u>26,095.55</u>
April 1, 2017				
Estimated total gross carrying amount at default	6,196.83	306.20	29,661.33	36,164.36
ECL - Simplified approach	(100.03)	(306.20)	(18,540.63)	(18,946.86)
Net carrying amount	<u>6,096.80</u>	<u>-</u>	<u>11,120.70</u>	<u>17,217.50</u>



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
11 Loans			
<i>(at amortised cost, unsecured, within India)</i>			
Employee loans - Gross carrying amount	244.67	327.03	524.99
	244.67	327.03	524.99
12 Other financial assets			
Deposits placed with exchange	3,500.00	2,500.00	2,500.00
Rental deposits	280.00	280.00	280.00
Deposits others	520.00	520.00	520.00
Accrued interest on margin	857.31	876.81	-
Margin placed with exchange/clearing house (net)	434,598.75	316,457.18	324,287.65
Advances recoverable in cash or in kind or for value to be received	1.44	138.00	119.00
	439,767.50	320,771.99	327,706.65
13 Current tax assets (net)			
Advance income taxes	5,497.16	4,720.30	2,975.37
	5,497.16	4,720.30	2,975.37
14 Deferred tax assets			
<u>Trade receivables</u>			
Provision on expected credit losses	5,489.02	5,115.09	5,854.58
<u>Property, plant and equipment and intangibles</u>			
Difference between book and tax depreciation (including intangibles)	439.01	466.61	544.91
<u>Employee benefit obligations</u>			
Provision for compensated absences	108.22	99.96	292.31
Others (Preliminary expenses)	226.08	352.96	409.86
	6,262.33	6,034.62	7,101.66



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

15 Property, Plant and Equipment

Description of assets	Gross block			Depreciation			Net block	
	As at April 1, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at 1 April 2018	Change for the year	Disposals during the year	As at March 31, 2019
Furniture and fittings	31.04	-	-	31.04	8.07	5.94	-	14.01
Motor vehicles	389.80	-	-	389.80	127.20	85.69	-	212.89
Office equipments	18.35	-	-	18.35	8.35	4.54	-	12.89
Computers	1,154.17	362.88	68.60	1,448.45	427.96	509.94	40.57	897.33
Total	1,593.36	362.88	68.60	1,887.64	571.58	606.11	40.57	1,137.12

Description of assets	Gross block			Depreciation			Net block	
	As at April 1, 2017	Additions during the year	Disposals during the year	As at March 31, 2018	As at April 1, 2017	Change for the year	Disposals during the year	As at March 31, 2018
Furniture and fittings	30.99	0.05	-	31.04	-	8.07	-	8.07
Motor vehicles	1,023.65	-	613.85	389.80	-	177.60	50.40	127.20
Office equipments	29.74	0.02	11.41	18.35	-	11.04	2.69	8.35
Computers	418.96	735.48	0.27	1,154.17	-	428.05	0.09	427.96
Total	1,503.34	735.55	645.53	1,593.36	-	624.76	53.18	571.58

Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
17 Other non-financial assets (Unsecured considered good, unless stated otherwise)			
Input tax credit	3,595.00	4,440.47	1,096.15
Contribution to gratuity fund (net)	1,103.00	1,395.00	707.00
Prepaid expenses	429.24	378.87	551.70
Vendor Advances	315.78	336.71	1,257.00
Advances recoverable in cash or in kind or for value to be received	2,974.75	2,438.77	1,201.75
Advances to employees	76.43	76.42	83.38
	8,494.20	9,066.24	4,896.98

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "EDELWEISS COMTRADE LIMITED" around the perimeter. The signature is a stylized, cursive script.

Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
18 Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	-	-	118.13
Total outstanding dues to creditors other than micro enterprises and small enterprises (includes sundry creditors, provision for expenses and customer payables)	346,523.00	248,343.77	212,330.92
	346,523.00	248,343.77	212,449.05
19 Borrowings (other than debt securities) (at amortised cost, unsecured within India)			
Loan from related parties (repayable on demand at interest rate ranging 9.30% to 9.50% (Previous year 10%))	106,894.34	220,643.12	111,794.27
	106,894.34	220,643.12	111,794.27
20 Other financial liabilities			
Other payables	423.69	4,958.00	1,014.00
Book overdraft	253.76	-	1,084.57
Accrued salaries and benefits	2,268.81	10,261.51	12,149.05
Payable to exchange	-	163.06	163.07
Interest accrued and due on borrowings	602.58	1,018.77	1,117.17
	3,548.84	16,401.34	15,527.86



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
21 Current tax liabilities (net)			
Provision for taxation	-	674.66	674.66
	<u>-</u>	<u>674.66</u>	<u>674.66</u>
22 Provisions			
Compensated absences	416.27	384.48	946.00
	<u>416.27</u>	<u>384.48</u>	<u>946.00</u>
23 Other non-financial liabilities			
Withholding taxes, Goods & service tax and other taxes payable	2,990.61	3,051.81	3,459.36
Others	-	574.97	310.28
	<u>2,990.61</u>	<u>3,626.78</u>	<u>3,769.64</u>



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
24 Equity share capital			
Authorised :			
29,000,000 (Previous year: 29,000,000) equity shares of Rs. 10 each	290,000	290,000	230,000
	<u>290,000</u>	<u>290,000</u>	<u>230,000</u>
Issued, Subscribed and Paid up:			
29,000,000 (Previous year: 29,000,000) equity shares of Rs. 10 each	290,000	290,000	230,000
	<u>290,000</u>	<u>290,000</u>	<u>230,000</u>

a. Movement in share capital :

	March 31, 2019		March 31, 2018		April 1, 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	29,000,000	290,000	23,000,000	230,000	23,000,000	230,000
Shares issued during the year	-	-	6,000,000	60,000	-	-
Outstanding at the end of the year	<u>29,000,000</u>	<u>290,000</u>	<u>29,000,000</u>	<u>290,000</u>	<u>23,000,000</u>	<u>230,000</u>

b. Terms/rights attached to equity shares :

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

Shares held by holding company

	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	No of shares	%	No of shares	%	No of shares	%
Holding company						
Edelweiss Securities Limited, the holding company and its nominees	-	-	29,000,000	100%	23,000,000	100%
Edelweiss Rural & Corporate Securities Limited [Formerly known as Edelweiss Commodities Services Limited], the holding company and its nominees	29,000,000	100%	-	-	-	-
	<u>29,000,000</u>	<u>100%</u>	<u>29,000,000</u>	<u>100%</u>	<u>23,000,000</u>	<u>100%</u>

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
25 Other equity			
Deemed capital contribution - ESOP - Opening balance (refer note below)	2,514.15	5,526.00	5,526.00
Add : Additions during the year	-	(3,011.85)	-
	<u>2,514.15</u>	<u>2,514.15</u>	<u>5,526.00</u>
Retained earnings - Opening balance	(228,432.24)	(174,542.85)	(174,542.85)
Add: Loss for the year	(27,553.54)	(49,911.39)	-
Add: Other comprehensive Income for the year	(342.00)	(3,978.00)	-
Retained earnings - Closing balance	<u>(256,327.78)</u>	<u>(228,432.24)</u>	<u>(174,542.85)</u>
	<u>(253,813.63)</u>	<u>(225,918.09)</u>	<u>(169,016.85)</u>

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



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	for the year ended March 31, 2019	for the year ended March 31, 2018
26 Fee income		
Income from Commodities Broking	59,419.50	58,804.14
Advisory and other fees	134.34	43.82
	<u>59,553.84</u>	<u>58,847.96</u>
Below is the disaggregation of the revenue from contracts with customers:		
Service transferred at a point in time	59,553.84	58,847.96
Service transferred over time	-	-
Total revenue from contract with customers	<u>59,553.84</u>	<u>58,847.96</u>
27 Interest Income		
On Financial assets measured at amortised Cost		
Interest income on fixed deposits	649.51	701.67
Interest income on margin with brokers	27,131.70	22,110.00
Interest Income - Others	(370.02)	25.02
	<u>27,411.19</u>	<u>22,836.69</u>
28 Other operating revenue		
Delayed payment charges	-	66.48
	<u>-</u>	<u>66.48</u>
29 Other income		
Profit on sale of fixed assets (net)	2.37	-
Miscellaneous income	5,094.01	702.85
	<u>5,096.38</u>	<u>702.85</u>



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

for the year ended
March 31, 2019

for the year ended
March 31, 2018

30 Finance costs

On Financial liabilities measured at amortised cost

Interest on loan from holding company	-	1,385.33
Interest on loan from fellow subsidiaries	21,336.38	20,876.51
Financial and bank charges	38.72	0.20
Interest - others	3.88	2.34
	<u>21,378.98</u>	<u>22,264.38</u>

31 Impairment on financial instruments

On Financial Instruments measured at amortised cost

Provision for expected credit loss on trade receivables	1,438.20	726.55
	<u>1,438.20</u>	<u>726.55</u>

32 Employee benefit expenses

Salaries and wages	37,830.26	59,011.49
Contribution to provident and other funds	2,197.50	2,638.53
Expense on Employee Stock Option Scheme (ESOP)*	13.70	(3,011.86)
Staff welfare expenses (refer note 47)	1,652.32	1,575.98
	<u>41,693.78</u>	<u>60,214.14</u>

* The Ultimate 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.



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	for the year ended March 31, 2019	for the year ended 31 March 2018
33 Other expenses		
Advertisement and business promotion	(103.11)	361.32
Auditors' remuneration (refer note below)	493.34	595.14
Communication	1,578.91	986.85
Computer expenses	219.93	144.05
Computer software	171.00	381.43
Clearing & custodian charges	122.86	120.00
Electricity charges (refer note 47)	1,221.82	2,359.11
Insurance	410.25	307.24
Legal and professional fees	3,262.50	3,837.98
Loss on sale of of fixed assets	-	9.47
Office expenses	26,277.45	17,304.98
Postage and courier	228.02	767.53
Printing and stationery	649.41	881.44
Rent (refer note 47)	6,146.50	9,480.45
Repairs and maintenance	451.33	741.61
ROC Expenses	-	450.00
Goods & Service tax expenses	-	0.00
Site related expenses	5,649.73	3,930.25
Stock exchange expenses	1,793.88	1,640.74
Travelling and conveyance	2,260.72	2,496.76
Miscellaneous expenses	2,751.90	737.71
Housekeeping and security charges	482.38	724.71
Operating losses	210.88	84.18
	54,279.70	48,342.95
Auditors' remuneration:		
As Auditors	376.00	374.00
For other services	5.00	-
Towards reimbursement of expenses	112.34	221.14
	493.34	595.14



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

34 Income Tax disclosure

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

Particulars	March 31, 2019	March 31, 2018
Current tax	-	-
Adjustment in respect of current income tax of prior years	436.91	(882.71)
Deferred tax relating to origination and reversal of temporary differences	(227.71)	1,067.04
Total tax charge	209.20	184.33
Current tax	436.91	(882.71)
Deferred tax	(227.71)	1,067.04

b Reconciliation of total tax charge

Particulars	March 31, 2019	March 31, 2018
Accounting profit before tax as per financial statements	(27,344.33)	(49,727.06)
Tax rate (in percentage)	26.00%	26.00%
Income tax expense calculated based on this tax rate	(7,109.53)	(12,929.04)
Adjustment in respect of current income tax of prior years	436.91	(882.71)
Effect of income not subject to tax:		
Others	-	(783.08)
Effect of non-deductible expenses:		
Penalties	-	0.13
Others	1.01	0.61
Effect of non-recognition of deferred tax asset on current-period losses	6,880.81	13,652.27
Impact of tax rate changes (between two accounting periods)	-	1,126.15
Tax charge for the year recorded in statement of profit and loss	209.20	184.33



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

34 Income Tax disclosure (Continued)

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

	Movement for the year ended March 31, 2019			
	Opening deferred tax asset as per Ind AS	Recognised in Statement of profit & loss	Total movement	Closing deferred tax asset / as per Ind AS
Deferred taxes in relation to:				
Property, Plant and Equipment and Intangibles	466.61	(27.60)	(27.60)	439.01
Trade receivables	5,115.09	373.93	373.93	5,489.02
Employee benefits obligations	99.96	8.26	8.26	108.22
Others	352.96	(126.88)	(126.88)	226.08
Total	6,034.62	227.71	227.71	6,262.33

	Movement for the year ended March 31, 2018			
	Opening deferred tax asset as per Ind AS	Recognised in Statement of profit & loss	Total movement	Closing deferred tax asset as per Ind AS
Deferred taxes in relation to:				
Property, Plant and Equipment and Intangibles	544.91	(78.30)	(78.30)	466.61
Trade receivables	5,854.58	(739.49)	(739.49)	5,115.09
Employee benefits obligations	292.31	(192.35)	(192.35)	99.96
Others	409.86	(56.90)	(56.90)	352.96
Total	7,101.66	(1,067.04)	(1,067.04)	6,034.62

d Break-up of recognition of current tax In Statement of Profit & Loss

March 31, 2019	March 31, 2018
436.91	(882.71)



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

34 Income Tax disclosure (Continued)

e Details of temporary differences where deferred tax assets have not been recognised in the balance sheet

As at March 31, 2019		Unused tax losses			
Financial Year to which the loss relates to	Unabsorbed Depreciation		Business Loss/ Short term capital loss		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
2015-16	868.62	No expiry	222,309.03	2023-24	223,177.65
2016-17	818.56	No expiry	66,023.01	2024-25	66,841.57
2017-18	705.30	No expiry	49,286.65	2025-26	49,991.95
2018-19	726.33	No expiry	25,767.72	2026-27	26,494.05
2010-11	-	-	7,400.13	2018-19	7,400.13
Total	3,118.81		370,786.54		373,905.35

As at March 31, 2018		Unused tax losses			
Financial Year to which the loss relates to	Unabsorbed Depreciation		Business Loss/ Short term capital loss		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
2015-16	868.62	No expiry	222,309.03	2023-24	223,177.65
2016-17	818.56	No expiry	66,023.01	2024-25	66,841.57
2017-18	705.30	No expiry	49,286.65	2025-26	49,991.95
2010-11	-	-	7,400.13	2018-19	7,400.13
Total	2,392.48		345,018.82		347,411.30

As at April 1, 2017		Unused tax losses			
Financial Year to which the loss relates to	Unabsorbed Depreciation		Business Loss/ Short term capital loss		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
2015-16	868.62	No expiry	222,309.03	2023-24	223,177.65
2016-17	818.56	No expiry	66,023.01	2024-25	66,841.57
2010-11	-	-	7,400.13	2018-19	7,400.13
Total	1,687.18		295,732.17		297,419.35



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

35 Earnings Per Share

Particulars	March 31, 2019	March 31, 2018
a. Shareholders earnings (as per Statement of Profit and loss)	(27,553.54)	(49,911.39)
b. Calculation of Weighted average number of equity shares		
Number of Shares at the beginning of year	29,000,000.00	23,000,000.00
Number of Shares issued during the year	-	6,000,000.00
Total no of equity shares outstanding at the end of the year	29,000,000.00	29,000,000.00
Weighted average number of ordinary shares adjusted for the effect of	29,000,000.00	23,394,520.55
Basic earnings per share (in Rs.)	(0.95)	(2.13)
Diluted earnings per share (in Rs.)	(0.95)	(2.13)



Edelweiss Comtrade Limited

Notes to the financial statements *(Continued)*

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

36 Segment Reporting

Reportable Business Segment

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

Segment	Activity covered
Agency business	Broking and advisory services
Capital based business	Income from treasury operations, investment and dividend income

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

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



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

36 Segment Reporting (Continued)

Reportable Business Segment

		For the year ended March 31, 2019	For the year ended March 31, 2018
	Particulars		
1	Segment revenue		
	Income from external customers		
	Agency business	91,936.37	82,258.75
	Capital based business	-	-
	Unallocated	125.04	195.23
	Total income	92,061.41	82,453.98
2	Segment result		
	Agency business	(27,469.38)	(49,922.29)
	Capital based business	-	-
	Unallocated	125.05	195.23
	Total	(27,344.33)	(49,727.06)
	Loss before taxation	(27,344.33)	(49,727.06)
	Less : Provision for taxation	209.20	184.33
	Profit/ (loss) after taxation	(27,553.53)	(49,911.39)
3	Segment assets		
	Agency business	484,799.94	543,401.15
	Capital based business	-	-
	Unallocated	11,759.49	10,754.91
	Total	496,559.43	553,156.06
4	Segment liabilities		
	Agency business	460,373.07	488,399.49
	Capital based business	-	-
	Unallocated	-	674.67
	Total	460,373.07	489,074.16
5	Capital expenditure		
	Agency business	371.51	735.68
	Capital based business	-	-
	Unallocated	-	-
	Total	371.51	735.68
6	Depreciation and amortisation		
	Agency business	615.09	633.02
	Capital based business	-	-
	Unallocated	-	-
	Total	615.09	633.02
7	Other non cash expenditure		
	Agency business	1,469.99	165.03
	Capital based business	-	-
	Unallocated	-	-
	Total	1,469.99	165.03



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

37 Disclosure pursuant to Ind AS 19 - Employee benefits

(a) Defined contribution to provident fund, employee state insurance fund and employees death linked insurance

Amount of ₹1,838.94 thousand (Previous year: ₹ 2,485.53 thousand) is recognized as expenses in "Employee benefit expenses" – Note 32 in the statement of profit and loss.

(b) Defined benefit plans (Gratuity)

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

Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2019	March 31, 2018
Present Value of DBO at start of the year	4,371.00	10,363.00
<i>Service Cost</i>		
a. Current Service Cost	472.00	448.00
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Interest Cost	278.00	366.00
Benefits Paid	(259.00)	(2,149.00)
<i>Re-measurements</i>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	33.00	(58.00)
c. Actuarial Loss/(Gain) from experience over last past year	297.00	221.00
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Transfer (Out)	(407.00)	(4,820.00)
Present Value of DBO at end of the year	4,785.00	4,371.00

Reconciliation of Fair Value of Plan Assets

	March 31, 2019	March 31, 2018
Fair Value of Plan Assets at start of the year	9,737.00	11,070.00
<i>Contributions by Employer</i>		
Benefits Paid	(259.00)	(2,149.00)
Interest Income Plan Assets	671.00	660.00
<i>Re-measurements</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	48.00	156.00
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Fair Value of Plan Assets at end of the year	10,197.00	9,737.00
<i>Actual Return on Plan Assets</i>	719.00	816.00
<i>Expected Employer Contributions for the coming year</i>	-	-



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

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

Reconciliation of Asset ceiling

	March 31, 2019	March 31, 2018
Assets ceiling at start of the year	3,971.00	-
Interest Income on Assets ceiling	278.00	-
<i>Re-measurements</i>		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	60.00	3,971.00
Assets ceiling at end of the year	4,309.00	3,971.00

Expenses recognised in the Statement of Profit and Loss

	March 31, 2019	March 31, 2018
<i>Service Cost</i>		
a. Current Service Cost	472.00	448.00
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability / (asset)	(115.00)	(294.00)
Changes in foreign exchange rate	-	-
Employer Expenses	357.00	154.00

Net Liability / (Asset) recognised in the Balance sheet

	March 31, 2019	March 31, 2018
Present Value of DOB	4,785.00	4,371.00
Fair Value of Plan Assets	10,197.00	9,737.00
Liability / (Asset) recognised in the Balance Sheet	(5,412.00)	(5,366.00)
Funded Status [Surplus/ (Deficit)]	5,412.00	5,366.00
Less: Amount not recognized as asset (Effect of limiting net assets to asset ceiling)	4,309.00	3,971.00
Net (Liability)/ Asset recognised in the Balance Sheet	1,103.00	1,395.00
Of which, Short term Liability	-	-
Experience Adjustment on Plan Liabilities:(Gain)/Loss	297.00	221.00
Experience Adjustment on Plan Assets:(Gain)/Loss	-	76.00



EdeIweiss Comtrade Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

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

Percentage Break-down of Total Plan Assets:

	March 31, 2019	March 31, 2018
Equity instruments	0.0%	0.0%
Debt instruments	0.0%	0.0%
Real estate	0.0%	0.0%
Derivatives	0.0%	0.0%
Investment Funds with Insurance Company	99.5%	99.5%
Of which, Unit Linked	72.7%	73.3%
Of which, Traditional/ Non-Unit Linked	26.8%	26.2%
Asset-backed securities	0.0%	0.0%
Structured debt	0.0%	0.0%
Cash and cash equivalents	0.5%	0.5%
Total	100.0%	100.0%

Actuarial assumptions:

	March 31, 2019	March 31, 2018
Salary Growth Rate (% p.a.)	7% p.a	7% p.a
Discount Rate (% p.a.)	6.7% p.a	7% p.a
Withdrawal Rate (% p.a.)		
Senior	13% p.a	13% p.a
Middle	30% p.a	30% p.a
Junior	60% p.a	60% p.a
Mortality	IALM 2012-14 (Ultimate)	IALM 2006-08 (Ultimate)
Interest Rate on Net DBO/ (Asset) (% p.a.)	7% p.a	6.6% p.a
Expected Weighted Average Remaining Working Life (years)	2 Years	2 Years



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

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

Movement in Other Comprehensive Income:

	March 31, 2019	March 31, 2018
Balance at start of year - (Loss)/ Gain	NIL*	NIL*
<i>Re-measurements on DBO</i>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	(33.00)	58.00
c. Actuarial Loss/(Gain) from experience over last past year	(297.00)	(221.00)
<i>Re-measurements on Plan Assets</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	48.00	156.00
<i>Re-measurements on Asset Ceiling</i>		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	(60.00)	(3,971.00)
Balance at end of year - Loss	(342.00)	(3,978.00)

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

Sensitivity Analysis:

DOB increases / (decreases) by	March 31, 2019	March 31, 2018
1 % Increase in Salary Growth Rate	171.00	146.00
1 % Decrease in Salary Growth Rate	(161.00)	(138.00)
1 % Increase in Discount Rate	(160.00)	(137.00)
1 % Decrease in Discount Rate	173.00	148.00
1 % Increase in Withdrawal Rate	(8.00)	(7.00)
1 % Decrease in Withdrawal Rate	8.00	8.00
Mortality (Increase in expected lifetime by 1 year)	Negligible Change	Negligible Change
Mortality (Increase in expected lifetime by 3 year)	Negligible Change	Negligible Change

Movement in Net (Liability)/ Asset:

	March 31, 2019	March 31, 2018
Net Asset at start of year	1,395.00	707.00
Net (Acquisition) / Divestiture	-	-
Net Transfer (In)/ Out	407.00	4,820.00
<i>Movement during the year</i>		
Current Service Cost	(472.00)	(448.00)
Past Service Cost	-	-
Net Interest on net DBO	115.00	294.00
Changes in foreign exchange rate	-	-
Re-measurements	(342.00)	(3,978.00)
Contributions / Benefits	-	-
Surplus at end of year	1,103.00	1,395.00



Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

38 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, 2019		March 31, 2018		April 1, 2017	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial assets						
Cash and cash equivalents	18,153.90	-	176,556.17	-	34,125.46	-
Other bank balances	9,550.31	-	9,551.94	-	6,074.11	4,000.00
Trade receivables	7,828.75	-	26,095.55	-	17,217.50	-
Loans	244.67	-	327.03	-	524.99	-
Other financial assets	435,467.50	4,300.00	317,471.99	3,300.00	324,406.65	3,300.00
	471,245.13	4,300.00	530,002.68	3,300.00	382,348.71	7,300.00
Non-financial assets						
Current tax assets (net)	2,719.04	2,778.12	1,091.28	3,629.02	1,517.87	1,457.50
Deferred tax assets (net)	-	6,262.33	-	6,034.62	-	7,101.66
Property, plant and equipment	-	750.52	-	1,021.78	-	1,503.34
Other intangible assets	-	10.09	-	10.44	-	18.57
Other non-financial assets	7,387.49	1,106.71	7,650.08	1,416.16	4,182.05	714.93
	10,106.53	10,907.77	8,741.36	12,112.02	5,659.92	10,796.00
Total assets	481,351.66	15,207.77	496,559.43	15,412.02	388,048.63	18,096.00

Particulars	March 31, 2019		March 31, 2018		April 1, 2017	
	Within 12 months	After 12 months	Within 12 months	After 12 months	Within 12 months	After 12 months
Financial liabilities						
Trade payables	346,523.00	-	248,343.77	-	212,449.05	-
Borrowing (other than debt securities)	106,894.34	-	220,643.12	-	111,794.27	-
Other financial liabilities	3,548.84	-	16,401.34	-	15,527.86	-
	456,966.18	-	485,388.23	-	339,771.18	-
Non-financial liabilities						
Current tax liabilities (net)	-	-	674.66	-	674.66	-
Provisions	107.00	309.27	103.00	281.48	221.00	725.00
Other non-financial liabilities	2,990.61	-	3,626.78	-	3,769.64	-
	3,097.61	309.27	4,404.44	281.48	4,665.30	725.00
Total liabilities	460,063.79	309.27	489,792.67	281.48	344,436.48	725.00

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



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

(Currency : Indian rupees in thousands)

40 Change in liabilities arising from financing activities

Particulars	April 1, 2018	Cash flows	Amount expensed in statement of profit and loss	March 31, 2019
Borrowings other than debt securities	220,643.12	(113,748.78)	-	106,894.34
Other financial liabilities (accrued Interest on borrowings)	1,018.77	(21,795.16)	21,378.98	602.58
Total liabilities from financing activities	221,661.89	(135,543.94)	21,378.98	107,496.93

Particulars	April 1, 2017	Cash flows	Amount expensed in statement of profit and loss	March 31, 2018
Borrowings other than debt securities	111,794.27	108,848.85	-	220,643.12
Other financial liabilities (accrued Interest on borrowings)	1,117.17	(22,362.78)	22,264.38	1,018.77
Total liabilities from financing activities	112,911.44	86,486.07	22,264.38	221,661.89



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

41 Contingent liabilities, Capital and other commitments

a. Legal claims

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Company is involved in various litigation, arbitration and regulatory proceedings in the ordinary course of its business. The Company has formal controls and policies for managing legal claims. Based on professional legal advice, the Company provides and/or discloses amounts in accordance with its accounting policies. At year end, the Company had several unresolved legal claims however individually any of the claim is not material. The aggregate value of claim against the Company is ₹ 121.76 thousand.

b. Contingent liabilities

Particulars	March 31, 2019	March 31, 2018
(a) Claims against the Group not acknowledged as debt	121.76	321.76
(b) Taxation matters	8,903.43	585.43

c. Capital and other commitments

Capital commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil (Previous year : ₹ 171.61 thousand (net of advances))



Edelweiss Comtrade Limited

Notes to the financial statements *(Continued)*

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

42 Disclosure of Related parties as required under Ind AS 24 - "Related Party Disclosure"

(a) Names of related parties by whom control is exercised

Edelweiss Financial Services Limited	Ultimate holding company
Edelweiss Rural & Corporate Services Limited* (Formerly Edelweiss Commodities Services Limited)	Holding company from March 29, 2019
Edelweiss Securities Limited	Holding company till March 29, 2019

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

EC Commodity Limited
Ecap Equities Limited **
ECL Finance Limited
Edelcap Securities Limited
Edelweiss Broking Limited
Edelweiss Custodial Services Limited
Edelweiss Global Wealth Management Limited
Edelweiss Housing Finance Limited
Edelweiss Securities Limited (from 29th Mar 2019)

*Edel Commodities Limited and EFSL Trading Limited was merged into EFSL Comtrade Limited vide Order of National Company Law Tribunal at Hyderabad. Further With effect from the Appointed Date i.e. August 1, 2018, EFSL Comtrade Limited, Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, Edelweiss Capital Markets Limited and Edelweiss Fund Advisors Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited). Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged are considered to be transacted with Edelweiss Rural & Corporate Services Limited and disclosed accordingly.

**Pursuant to the Scheme of Amalgamation ("the Scheme") under Sections 230 to 232 of the Companies Act, 2013 (the Act) and the Rules made there under (the Rules), as sanctioned by the National Company Law Tribunal , Mumbai Bench vide its orders dated August 23, 2017 and the National Company Law Tribunal, Hyderabad Bench vide its order dated April 11, 2018, Olive Business Centre Limited ("the First Transferor Company"), Burlington Business Solutions Limited ("the Second Transferor Company"), Auris Corporate Centre Limited ("the Third Transferor Company"), Serenity Business Park Limited ("the Fourth Transferor Company") and Eternity Business Centre Limited ("the Fifth Transferor Company") {collectively referred to as the Transferor Companies}, the wholly owned subsidiaries of ECap Equities Limited, (the Transferee Company) had been amalgamated with the Transferee Company with effect from April 1, 2017 ("the Appointed Date"). The Scheme has been effective from April 21, 2018 ("the Effective Date").

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



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2019

(Currency: Indian rupees in thousand)

42 Disclosure of Related parties as required under Ind AS 24 "Related Party Disclosure" (Continued)

(c) Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
Capital account transactions during the year				
1	Issue of equity shares to	Edelweiss Securities Limited	-	60,000.00
Current account transactions				
2	Short term loans taken from	Edelweiss Rural & Corporate Services Limited (refer note 3)	227,054.96	343,149.05
3	Short term loans repaid to	Edelweiss Rural & Corporate Services Limited (refer note 3) Edelweiss Financial Services Limited (refer note 3)	940,805.73 -	180,771.87 54,526.34
4	Margin placed with	EC Commodity Limited (refer note 3) Edelweiss Custodial Services Limited (refer note 3)	372,471.16 431,562.88	414,959.61
5	Margin withdrawn from	EC Commodity Limited (refer note 3)	682,100.74	422,914.59
6	Nominator deposit given to	Edelweiss Securities Limited	-	300.00
7	Nominator deposit received from	Edelweiss Securities Limited	-	300.00
8	Interest paid on loan	Edelweiss Rural & Corporate Services Limited Edelweiss Financial Services Limited	21,336.38 -	20,876.51 1,385.33
9	Interest income on Margin	EC Commodity Limited Edelweiss Custodial Services Limited	24,829.26 2,202.44	22,109.99 -
10	Clearing charges paid to	EC Commodity Limited Edelweiss Custodial Services Limited	107.14 15.71	170.00 -
11	Reimbursement paid to	Edelweiss Rural & Corporate Services Limited (Refer note 4) Edelweiss Financial Services Limited Edelweiss Broking Limited	17,829.52 28.62 -	37,752.06 8,261.61 661.58
12	Reimbursement received from	Edelweiss Broking Limited	67.52	-
13	Cost reimbursement paid to	Edelweiss Broking Limited Edelweiss Financial Services Limited Edelweiss Securities Limited Edelweiss Rural & Corporate Services Limited Equip Equities Limited Edelweiss Housing Finance Limited	4,917.10 1,861.69 233.07 572.86 30.25 -	7,272.83 1,229.97 1,068.02 879.83 91.25 51.68
14	Cost reimbursement recovered from	Edelweiss Broking Limited	-	111.06
15	Rent paid to	Edelweiss Rural & Corporate Services Limited ECap Equities Limited Edelweiss Broking Limited ECL Finance Limited	968.28 181.11 20.48 -	1,473.57 1,110.30 216.88 407.34
16	Business support service charges paid to	Edelweiss Rural & Corporate Services Limited (Refer note 4)	25,551.87	16,551.51
17	Website related charges paid to	Edelweiss Rural & Corporate Services Limited (Refer note 4)	5,649.73	3,930.25
18	Fixed assets purchased from	Edelweiss Housing Finance Limited Edelweiss Global Wealth Management Limited Edelweiss Broking Limited Edelweiss Securities Limited	17.65 1.73 62.57 31.43	- - - -
19	Fixed assets sold to	Edelweiss Housing Finance Limited Edelweiss Broking Limited	23.15 6.73	- -



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2019

(Currency: Indian rupees in thousands)

42 Disclosure of Related parties as required under Ind AS 24 "Related Party Disclosure" (Continued)

(c) Transactions with related parties (Continued):

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2019	March 31, 2018
Balances with related parties				
1	Equity share capital held by	Edelweiss Securities Limited Edelweiss Rural & Corporate Services Limited	- 290,000.00	290,000.00 -
2	Short term borrowings	Edelweiss Rural & Corporate Services Limited (Refer note 1)	106,894.35	720,643.32
3	Trade Payables to	Edelweiss Rural & Corporate Services Limited (Refer note 4) Edelweiss Broking Limited Edelweiss Financial Services Limited Edelweiss Securities Limited ECap Equities Limited EC Commodity Limited Edelweiss Housing Finance Limited	13,210.88 - 41.04 53.47 120.63 0.23 -	10,125.06 2,551.24 - 71.86 194.56 - 1.21
4	Other payables to	Edelweiss Broking Limited Edelweiss Rural & Corporate Services Limited (Refer note 4) ECL Finance Limited Edelweiss Financial Services Limited Edelweiss Custodial Services Limited	109.00 37.00 244.00 13.69 -	2,325.00 1,218.00 1,000.00 - 405.00
5	Interest accrued and due on loan taken	Edelweiss Rural & Corporate Services Limited	602.58	1,018.77
6	Other receivable from	Edelweiss Rural & Corporate Services Limited Edelcap Securities Limited Edelweiss Securities (FSC) Limited	- - 1.44	107.00 31.00 -
7	Prepaid Expenses	Edelweiss Financial Services Limited	364.82	-
8	Accrued interest on margin	EC Commodity Limited Edelweiss Custodial Services Limited	- 867.31	876.81 -
9	Margin placed with clearing house	EC Commodity Limited Edelweiss Custodial Services Limited	- 431,567.88	309,886.18 -

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

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

Note 3 : 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 includes herein is on cash basis.

Note 4 : Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, Edelweiss Capital Markets Limited, Edelweiss Fund Advisors & FES, Comtrade Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited).



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

43. Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company 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.



Edelweiss Comtrade Limited

Notes to the financial statements *(Continued)*

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

44. Risk Management

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

Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee.

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

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

Credit risk

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

Liquidity risk

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of Fixed Deposits, Cash, Loans which are callable any time at the Company's discretion, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

44 Risk Management (Continued)

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

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

As at March 31, 2019	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Trade payables	346,523.00	-	-	-	-	346,523.00
Borrowings (other than debt securities)	106,894.34	-	-	-	-	106,894.34
Other financial liabilities	3,548.84	-	-	-	-	3,548.84
Total undiscounted non-derivative financial liabilities	456,966.18	-	-	-	-	456,966.18
As at March 31, 2018	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Trade payables	248,343.77	-	-	-	-	248,343.77
Borrowings (other than debt securities)	220,643.12	-	-	-	-	220,643.12
Other financial liabilities	16,401.34	-	-	-	-	16,401.34
Total undiscounted non-derivative financial liabilities	485,388.23	-	-	-	-	485,388.23
As at April 1, 2017	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Trade payables	212,449.05	-	-	-	-	212,449.05
Borrowings (other than debt securities)	111,794.27	-	-	-	-	111,794.27
Other financial liabilities	15,527.86	-	-	-	-	15,527.86
Total undiscounted non-derivative financial liabilities	339,771.18	-	-	-	-	339,771.18



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

64 Risk Management (Continued)

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 the year end.

As at March 31, 2019	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	18,204.21	3,250.00	6,250.00	-	-	27,704.21
Trade receivables	7,828.75	-	-	-	-	7,828.75
Loans	-	-	244.67	-	-	244.67
Other financial assets	2,333.62	-	433,133.88	-	4,300.00	439,767.50
Total undiscounted non-derivative financial assets	28,366.58	3,250.00	439,628.55	-	4,300.00	475,545.13

As at March 31, 2018	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	176,608.11	3,250.00	6,250.00	-	-	186,108.11
Trade receivables	26,095.55	-	-	-	-	26,095.55
Loans	-	-	327.03	-	-	327.03
Other financial assets	29,462.00	-	288,099.99	-	3,300.00	320,771.99
Total undiscounted non-derivative financial assets	232,165.66	3,250.00	294,587.02	-	3,300.00	533,302.68

As at April 1, 2017	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Cash and cash equivalent and other bank balances	34,177.96	-	6,021.61	4,000.00	-	44,199.57
Trade receivables	17,217.50	-	-	-	-	17,217.50
Loans	-	-	524.99	-	-	524.99
Other financial assets	119.00	-	324,287.65	-	3,300.00	327,706.65
Total undiscounted non-derivative financial assets	51,514.46	-	330,834.25	4,000.00	3,300.00	389,648.71

Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

44 Risk Management (Continued)

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.

As at March 31, 2019	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans	244.67	Unsecured
Trade receivables (Gross)	28,940.36	Securities, Bank Guarantee etc.
Other financial assets	439,767.50	Unsecured
Total	468,952.53	

As at March 31, 2018	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans:		
Loans	327.03	Unsecured
Trade receivables (Gross)	45,768.96	Securities, Bank Guarantee etc.
Other financial assets	320,771.99	Unsecured
Total	366,867.98	

As at April 1, 2017	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans:		
Loans	524.99	Unsecured
Trade receivables (Gross)	36,164.36	Securities, Bank Guarantee etc.
Other financial assets	327,706.65	Unsecured
Total	364,396.00	



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

44 Risk Management (Continued)

Analysis of Financial assets and liabilities by Industry risk concentration

Industry analysis - Risk concentration for March 31, 2019

Particulars	Financial services	Retail	Total
Financial assets	-	-	-
Cash and cash equivalent and other bank balances	27,704.21	-	27,704.21
Trade and other receivables	-	7,828.75	7,828.75
Other Financial Assets	439,767.50	-	439,767.50
Loans	244.67	-	244.67
Total	467,716.38	7,828.75	475,545.13

Industry analysis - Risk concentration for March 31, 2018

Particulars	Financial services	Retail	Total
Financial assets	-	-	-
Cash and cash equivalent and other bank balances	186,108.11	-	186,108.11
Trade and other receivables	-	26,095.55	26,095.55
Other Financial Assets	320,771.99	-	320,771.99
Loans	327.03	-	327.03
Total	507,207.13	26,095.55	533,302.68

Industry analysis - Risk concentration for April 1, 2017

Particulars	Financial services	Retail	Total
Financial assets	-	-	-
Cash and cash equivalent and other bank balances	44,199.57	-	44,199.57
Trade and other receivables	-	17,217.50	17,217.50
Other Financial Assets	327,706.65	-	327,706.65
Loans	524.99	-	524.99
Total	372,431.21	17,217.50	389,648.71



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

44 Risk Management (Continued)

Total market risk exposure

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

Particulars	March 31, 2019			March 31, 2018			April 1, 2017		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets									
Cash and cash equivalent and other bank balances	27,704.21	-	27,704.21	186,108.11	-	186,108.11	44,199.57	-	44,199.57
Loans	244.67	-	244.67	327.03	-	327.03	524.99	-	524.99
Trade receivables	7,828.75	-	7,828.75	26,095.55	-	26,095.55	17,217.50	-	17,217.50
Other Financial assets	439,767.50	-	439,767.50	320,771.99	-	320,771.99	327,706.65	-	327,706.65
Total	475,545.13	-	475,545.13	533,302.68	-	533,302.68	389,648.71	-	389,648.71
Liabilities									
Borrowings (other than Debt Securities)	106,894.34	-	106,894.34	220,643.12	-	220,643.12	111,794.27	-	111,794.27
Trade payables	346,523.00	-	346,523.00	248,343.77	-	248,343.77	212,449.05	-	212,449.05
Other liabilities	3,548.84	-	3,548.84	16,401.34	-	16,401.34	15,527.86	-	15,527.86
Total	456,966.18	-	456,966.18	485,388.23	-	485,388.23	339,771.18	-	339,771.18

Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

45 Following table sets out availability of assets to support funding

March 31, 2019	Pledge as collateral	Others (refer note 1 below)	Available as collateral	Others (refer note 2 below)	Total carrying amount
Cash and cash equivalent including bank balance	9,550.31	-	18,153.90	-	27,704.21
Trade receivables	-	-	7,828.75	-	7,828.75
loans	-	-	244.67	-	244.67
Other financial assets	-	431,562.88	8,204.62	-	439,767.50
Property, plant and equipment	-	-	750.52	-	750.52
Other non financial assets	-	-	8,504.29	-	8,504.29
Total assets	9,550.31	431,562.88	43,686.75	-	484,799.94

March 31, 2018	Pledge as collateral	Others (refer note 1 below)	Available as collateral	Others (refer note 2 below)	Total carrying amount
Cash and cash equivalent including bank balance	9,551.94	-	176,556.17	-	186,108.11
Trade receivables	-	-	26,095.55	-	26,095.55
loans	-	-	327.03	-	327.03
Other financial assets	-	309,886.18	10,885.81	-	320,771.99
Property, plant and equipment	-	-	1,021.78	-	1,021.78
Other non financial assets	-	-	9,076.68	-	9,076.68
Total assets	9,551.94	309,886.18	223,963.02	-	543,401.14

April 1, 2017	Pledge as collateral	Others (refer note 1 below)	Available as collateral	Others (refer note 2 below)	Total carrying amount
Cash and cash equivalent including bank balance	10,074.11	-	34,125.46	-	44,199.57
Trade receivables	-	-	17,217.50	-	17,217.50
loans	-	-	524.99	-	524.99
Other financial assets	-	322,481.12	5,225.53	-	327,706.65
Property, plant and equipment	-	-	1,503.34	-	1,503.34
Other non financial assets	-	-	4,915.55	-	4,915.55
Total assets	10,074.11	322,481.12	63,512.37	-	396,067.60

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

Note 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 Comtrade Limited

Notes to the financial statements *(Continued)*

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

46. Additional disclosure on fixed deposits

- a) Fixed deposits aggregating to ₹ 4,000.00 thousand (previous year: ₹ 4,000.00 thousand) have been pledged with exchanges for meeting base capital requirement.

47. Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees. On the same lines, 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 25 and 26 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

48. Brokerage income is disclosed net of related (i) sub-brokerage expenses ₹ 34,770.81 thousand (previous year ₹ 31,466.80 thousand) and (ii) stock exchange expense ₹ (373.08 thousand) (previous year ₹ 272.54 thousand).

49. Details of dues to Micro enterprises and Small enterprises

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

50. First-time adoption – mandatory exceptions, optional exemptions

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



Edelweiss Comtrade Limited

Notes to the financial statements *(Continued)*

for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

51. First-time adoption – mandatory exceptions, optional exemptions *(Continued)*

Exemptions applied

a) Derecognition of financial assets and financial liabilities

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

b) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

c) Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of April 1, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

d) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

e) Share-based payments

The Company has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (April 1, 2017).



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

51 First-time adoption - mandatory exceptions, optional exemptions (Continued)

Reconciliation of Net Profit for the year ended March 31, 2018 as reported under erstwhile Indian GAAP and Ind AS are summarised as below:

Particulars	Year Ended March 31, 2018
Net profit after tax as reported under Indian GAAP	(56,901.24)
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:	-
Effective interest rate on financial assets and liabilities (net)	-
ESOP fair value charge	3,011.85
Remeasurement of defined benefit plans (actuarial gains / losses)	3,978.00
Net profit as per Ind AS	(49,911.39)
Other Comprehensive Income after tax as per Ind AS	(3,978.00)
Total Comprehensive Income as per Ind AS	(53,889.39)

Other Comprehensive Income primarily includes impact of re-measurement gains/losses on actuarial valuation of post employment defined benefits.

Reconciliation of Networth as reported under erstwhile Indian GAAP and Ind AS are summarised as below:

Particulars	As at March 31, 2018	As at April 1, 2017
Shareholder's Equity as reported under Indian GAAP	64,081.91	60,983.15
Shareholder's Equity as per Ind AS	64,081.91	60,983.15

Statement of cash flows

The transition from Indian GAAP to Ind AS has not a material impact on the statement of cash flows.



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

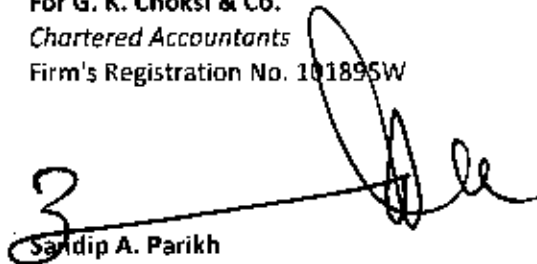
for the year ended March 31, 2019

(Currency : Indian rupees in thousands)

52. Previous year comparatives

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

For G. K. Choksi & Co.
Chartered Accountants
Firm's Registration No. 101895W



Sandip A. Parikh
Partner
Membership No: 40727

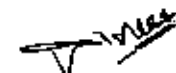
Place: Mumbai
Date: May 9, 2019



For and on behalf of the Board of Directors




Rajesh Mendon
Executive Director
DIN : 07627485



Dinesh Thadani
Chief Financial Officer

Place: Mumbai
Date: May 9, 2019



T.K. Ramaswamy
Director
DIN : 05158707



Shradha Shetty
Company Secretary

