

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Custodial Services Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

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

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

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

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

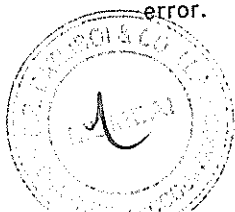
Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

error.



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

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

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

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

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

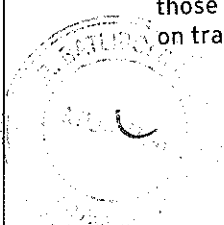
- ▶ Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not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

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

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 01, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2018 and March 31, 2017 dated May 2, 2018 and May 16, 2017 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.



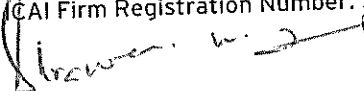
S.R. BATLIBOI & CO. LLP

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, no managerial remuneration was paid/payable for the year ended March 31, 2019 by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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


per Shrawan Jalan
Partner
Membership Number: 102102

Place of Signature: Mumbai
Date: May 10, 2019



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

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



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Chartered Accountants

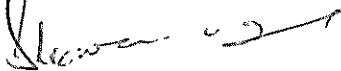
report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company.
- (xv) According to the information and explanations given by the management and audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us and audit procedures performed, the Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

For S.R. Batliboi & Co. LLP

Chartered Accountants

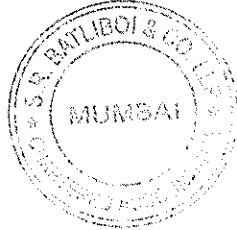
CAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102



Place of Signature: Mumbai

Date: May 10, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF EDELWEISS CUSTODIAL SERVICES LIMITED

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

To the Members of Edelweiss Custodial Services Limited

We have audited the internal financial controls over financial reporting of Edelweiss Custodial Services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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



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Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

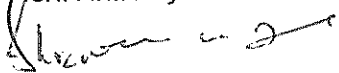
Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,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

Opinion

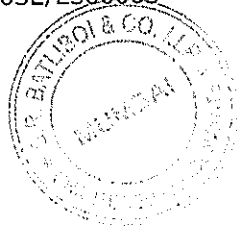
In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 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 S.R. Batliboi & Co. LLP
Chartered Accountants

CAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan
Partner
Membership Number: 102102



Place of Signature: Mumbai
Date: May 10, 2019

Edelweiss Custodial Services Limited

Balance Sheet

(Currency : Indian rupees in millions)

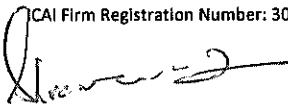
	Note	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
Assets				
Non current assets				
(a) Property, plant and equipment	2.1	14.27	5.41	2.15
(b) Capital work in progress		18.08	-	-
(c) Intangible assets under development		6.44	0.70	-
(d) Other intangible assets	2.2	41.57	16.91	14.27
(e) Financial assets				
(i) Investments	2.3	628.94	628.94	628.94
(ii) Other financial assets	2.4	41.96	17.30	16.10
(f) Current tax assets (net)	2.5	4.14	2.32	1.17
(g) Deferred tax assets (net)	2.6	3.53	11.11	20.48
		758.93	682.69	683.11
Current assets				
(a) Financial assets				
(i) Investments	2.7	-	300.00	-
(ii) Trade receivables	2.8	426.33	539.76	33.13
(iii) Cash and cash equivalents	2.9	10,252.30	10,216.23	5,313.87
(iv) Bank balances other than cash and cash equivalents	2.10	16,174.11	7,279.56	4,601.01
(v) Loans	2.11	0.74	0.98	1.11
(vi) Other financial assets	2.12	27.42	540.19	151.24
(b) Current tax assets (net)	2.13	-	5.86	2.32
(c) Other current assets	2.14	99.60	81.60	60.41
		26,980.50	18,964.18	10,163.09
Total assets		27,739.43	19,646.87	10,846.20
Equity				
(a) Equity share capital	2.15	62.68	62.68	62.68
(b) Other equity	2.16	948.22	946.97	825.37
		1,010.90	1,009.65	888.05
Non current liability				
(a) Provision	2.17	13.95	7.59	4.80
Current liability				
(a) Financial liabilities				
(i) Borrowings	2.18	4.16	306.47	423.49
(ii) Trade payables	2.19	416.43	62.04	4.23
(iii) Other financial liabilities	2.20	26,146.98	18,132.76	9,501.02
(b) Other current liabilities	2.21	73.92	72.89	6.75
(c) Provisions	2.22	4.52	1.34	1.80
(d) Current tax liabilities (net)	2.23	68.57	54.13	16.06
Total equity and liabilities		27,739.43	19,646.87	10,846.20

The accompanying notes are an integral part of the financial statements 1 & 2

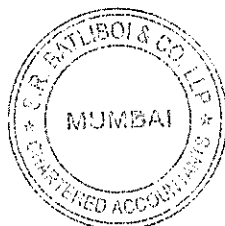
As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

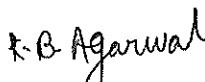


Shrawan Jalan
Partner
Membership No:102102



Mumbai
May 10, 2019

For and on behalf of the Board of Directors



Kanhaiyala Agarwal
Director
DIN :08185700

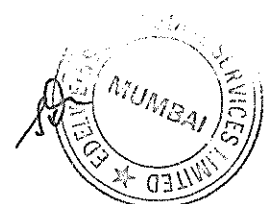


Dipesh Shah
Director
DIN :07447551



Pooja Doshi
Company Secretary

Mumbai
May 10, 2019



Edelweiss Custodial Services Limited

Statement of Profit and Loss

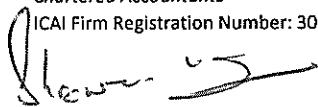
(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations			
Fee and commission income	2.24	312.83	519.92
Interest income	2.25	2,289.84	1,147.78
Income from treasury & investments	2.26	0.87	-
Total Revenue from operations		2,603.54	1,667.70
Other income	2.27	13.24	1.10
Total revenue		2,616.78	1,668.80
Expenses			
Employee benefits expense	2.28	239.65	153.71
Finance costs	2.29	1,032.98	721.48
Depreciation, amortisation and impairment	2.1 & 2.2	20.62	9.80
Other expenses	2.30	200.74	89.17
Total expenses		1,493.99	974.16
Profit before tax		1,122.79	694.64
Tax expenses:			
(1) Current tax		328.46	203.43
(2) Deferred tax		(2.21)	(0.76)
Profit for the year		796.54	491.97
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans (OCI)		0.30	(0.03)
Less: Income tax relating to items that will not be reclassified to profit or loss		(0.09)	0.01
Total		0.39	(0.04)
Total comprehensive income		796.93	491.93
Earnings per equity share (Face value of ₹ 10 each):			
(1) Basic (INR)	2.32	127.09	78.49
(2) Diluted (INR)		127.09	78.49
The accompanying notes are an integral part of the financial statements	1 & 2		

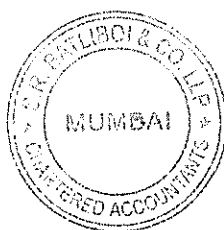
As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



Shrawan Jain
Partner
Membership No:102102



Mumbai
May 10, 2019

For and on behalf of the Board of Directors



Kanhaiyalal Agarwal
Director
DIN :08185700

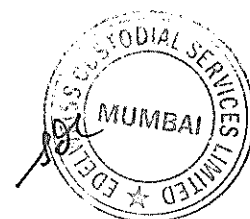


Dipesh Shah
Director
DIN :07447551



Pooja Doshi
Company Secretary

Mumbai
May 10, 2019



Edelweiss Custodial Services Limited

Statement of changes in Equity

(Currency : Indian rupees in millions)

Equity share capital

Balance at the beginning of the reporting period (1 April 2017)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2018)
62.68	-	62.68

Equity share capital

Balance at the beginning of the reporting period (1 April 2018)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2019)
62.68	-	62.68

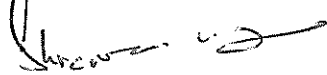
Other Equity

	Securities Premium Account	Deemed capital contribution - ESOP	Retained earnings	Total
Balance at 1 April 2017	652.10	7.05	166.22	825.37
DTA on ESOP	-	-	(10.11)	(10.11)
Profit for the year	-	-	491.96	491.96
Other comprehensive income	-	-	(0.04)	(0.04)
Total Comprehensive Income	-	-	491.92	491.92
Dividends to shareholders	-	-	(300.84)	(300.84)
Dividend distribution tax	-	-	(61.24)	(61.24)
ESOP charge	-	1.87	-	1.87
Balance at March 31, 2018	652.10	8.92	285.95	946.97
DTA on ESOP	-	-	(9.88)	(9.88)
Profit or loss	-	-	796.54	796.54
Other comprehensive income	-	-	0.39	0.39
Total Comprehensive Income	-	-	787.05	787.05
Dividends to shareholders	-	-	(651.82)	(651.82)
Dividend distribution tax	-	-	(133.98)	(133.98)
Balance at March 31, 2019	652.10	8.92	287.20	948.22

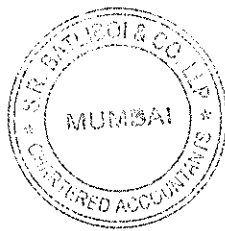
For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



Shrawan Jalan
Partner
Membership No:102102



For and on behalf of the Board of Directors



Kanhaiyalal Agarwal
Director
DIN :08185700



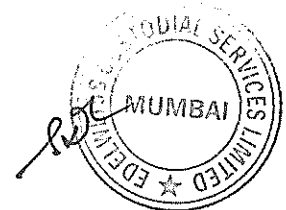
Pooja Doshi
Company Secretary



Dipesh Shah
Director
DIN :07447551

Mumbai
May 10, 2019

Mumbai
May 10, 2019



Edelweiss Custodial Services Limited

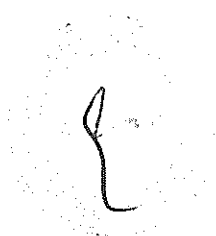
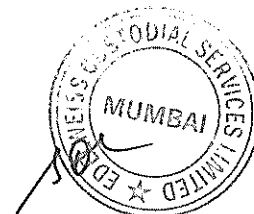
Cash Flow Statement for the year ended 31 March 2019

(Currency : Indian rupees in millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Profit before taxation	1,122.79	694.64
<i>Adjustments for</i>		
Depreciation	20.62	9.80
Provision for expected credit loss	0.10	(0.01)
Profit on sale of fixed assets	(0.03)	(0.33)
Profit on sale of investments	(0.87)	-
Interest income	-	(0.12)
ESOP cost	-	1.87
Operating cash flow before working capital changes	1,142.61	705.85
Add / (Less): Adjustments for working capital changes		
Increase in trade receivables	113.31	(402.64)
Decrease in other financial assets	(8,406.19)	(2,684.39)
Decrease in other non financial assets	(18.01)	(455.33)
Increase in liabilities and provisions	8,077.27	8,536.95
Cash generated from operations	908.99	5,700.44
Income taxes paid	310.06	170.04
Net cash generated from operating activities - A	598.93	5,530.40
B Cash flow from investing activities		
Purchase of fixed assets	(78.29)	(17.14)
Sale of fixed assets	0.36	1.07
Interest received	-	0.11
Purchase of current investment	-	(300.00)
Sale of current investment	300.87	-
Net cash generated/(used in) investing activities - B	222.94	(315.96)
C Cash flow from financing activities		
Dividend paid to shareholders	(651.82)	(300.84)
Dividend distribution tax paid	(133.98)	(61.24)
Net cash used in financing activities - C	(785.80)	(362.08)
Net increase in cash and cash equivalents (A+B+C)	36.07	4,852.36
Cash and cash equivalent as at the beginning of the year	10,216.23	5,363.87
Cash and cash equivalent as at the end of the year (refer note 2.9)	10,252.30	10,216.23

Notes:

- 1 Net figures have been reported on account of volume of transactions.
- 2 For disclosure relating to changes in liabilities arising from financing activities refer note 2.36
- 3 Component of cash and cash equivalents



Edelweiss Custodial Services Limited

Cash Flow Statement for the year ended 31 March 2019

(Currency : Indian rupees In millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash and Cash equivalents		
Balances with banks - in current accounts	<u>10,252.30</u>	<u>10,216.23</u>
	10,252.30	10,216.23

4

The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statements" specified under Section 133 of Companies Act ,2013 read with Paragraph 7 of the Companies (Accounts) Rules,2014.

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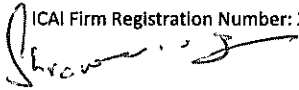
Purchase of tangible and intangible assets includes movement of capital work-in-progress and capital expenditure during the year.

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

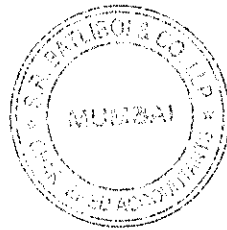
ICAI Firm Registration Number: 301003E/E300005



Shrawan Jalan

Partner

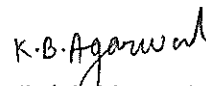
Membership No:102102



Mumbai

May 10, 2019

For and on behalf of the Board of Directors



Kanhalyalal Agarwal

Director

DIN :08185700



Dipesh Shah

Director

DIN :07447551

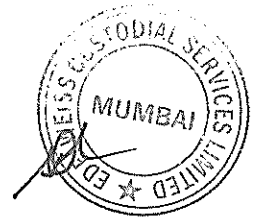


Pooja Doshi

Company Secretary

Mumbai

May 10, 2019



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1. Significant accounting policies

1.1 Company background:

Edelweiss Custodial Services Limited ('the Company') was incorporated on 16 October 2008. The Company is a 100% subsidiary of Edelweiss Securities Limited which in turn is a 100% subsidiary of Edelweiss Financial Services Limited.

The business of the Company is to provide custodial services for the clearing and settlement of securities and financial instruments as well as fund accounting services. The Company is registered as a clearing member for derivative segment with National Stock Exchange of India Limited ('NSEIL'), BSE Limited ('BSE') and Metropolitan Stock Exchange of India Limited ('MSEI') and provides clearing services to its clients.

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

1.2 Basis of preparation and presentation of financial statements:

The Company's financial statements has been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and in compliance with the Division II of the Schedule III to the Companies Act, 2013.

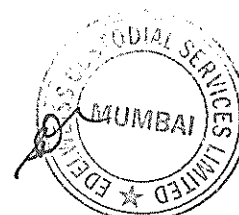
For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31st March 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 1.19 for information on how the Company adopted Ind AS for opening balance sheet.

The Company's financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, derivative financial instruments, and other financial assets held for trading, which have been measured at fair value. The Company's financial statements are presented in Indian Rupees (INR) in millions.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

1.3 Use of estimates

The preparation of the financial statements requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expense during the reporting period. Actual results could differ from the estimates.



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.4 Revenue recognition:

- Fee income includes fees for clearing services, delayed payment charges, advisory fees & fund accounting. The right to receive the clearing fees arises when the trade is executed and a valid contract is generated for the trade. All types of fee income is accounted for, on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Income from treasury operations comprises of profit/loss on sale of securities, profit/loss on equity and currency derivative instruments.
 - i) Profit/ loss on sale of securities are determined based on the weighted average cost of the securities sold and is recognized on trade date basis.
 - ii) Realised profit/ loss on closed positions of all derivative instruments is recognised on final settlement on squaring-up of the contracts. All outstanding derivative contracts in the nature of forwards / futures / options are measured at fair value as at the balance sheet date. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, market intermediary quotes, valuation techniques are used to determine the fair value. In most cases the valuation techniques use observable market data as input parameters in order to ensure reliability of the fair value measure.
- Interest income is recognised on accrual basis of accounting.
- Dividend income is recognised when the right to receive payment is established.
- Delayed payment charges are recognised on accrual basis.

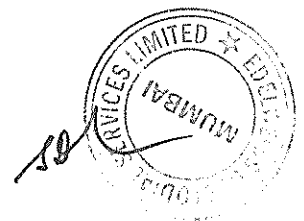
1.5 Financial instruments:

Date of recognition

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

Initial measurement of financial instruments

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



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.5 Financial Instruments (Continued)

Day 1 profit or loss

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

Classification of financial instruments

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

Financial assets carried at amortised cost (AC)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

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

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.

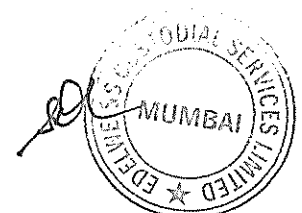
Financial assets at fair value through profit or loss (FVTPL)

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

Amortized cost and effective interest rate (EIR)

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.5 Financial Instruments (Continued)

Amortized cost and Effective interest rate (EIR) (Continued)

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.

Financial assets held for trading

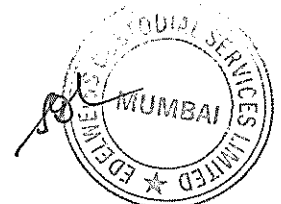
The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term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

Financial assets at fair value through profit or loss

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

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.5 Financial Instruments (Continued)

Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure

Investment in equity instruments

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

Investment in mutual funds

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

Financial liabilities

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

Financial liabilities and equity instruments

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

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

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

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The company didn't reclassify any of its financial assets or liabilities in current period and previous period.

Derecognition of financial assets and financial liabilities

Derecognition of financial asset

A financial asset (or, where applicable a part of a financial asset or a part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.5 Financial Instruments (*Continued*)

Derecognition of financial asset (*Continued*)

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

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

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

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates.
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients.

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

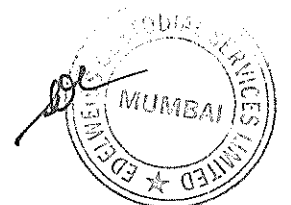
A transfer only qualifies for derecognition if either:

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

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

The Company also derecognises a financial asset, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financial asset, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

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



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.5 Financial Instruments (Continued)

Derecognition of financial liabilities

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

Impairment of financial assets

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

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

Business model assessment

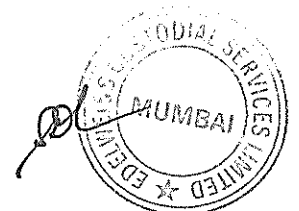
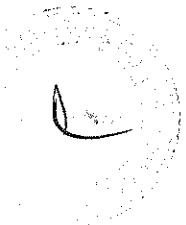
Classification and measurement of financial assets depends on the results of the 'Solely Payments of Principal and Interest' (SPPI) criterion and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve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

Fair value of financial instruments

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

Write-offs

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



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.5 Financial Instruments (Continued)

Determination of fair value

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments:

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

Level 2 financial instruments:

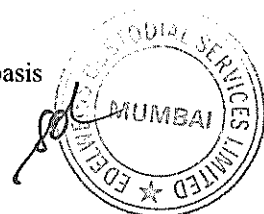
Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

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.



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

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

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

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

Property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income / expense in the statement of profit and loss in the year the asset is derecognised.

The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

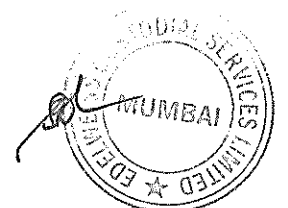
As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the estimated useful lives of the respective fixed assets which are as per the provisions of Part C of Schedule II of the Act for calculating the depreciation.

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

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

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.6 Property, plant and equipment (Continued)

Intangible fixed assets

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible fixed assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

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

Impairment of non-financial assets

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

1.7 Cash and cash equivalents:

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

1.8 Foreign currency transactions:

The financial statements are presented in Indian Rupees which is also functional currency of the Company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

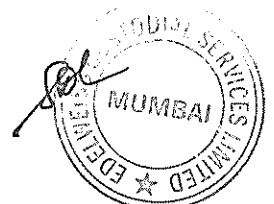
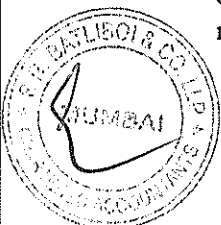
Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

1.9 Retirement and other employee benefits:

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

Provident fund and national pension scheme

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



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.9 Retirement and other employee benefits (Continued)

Gratuity

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

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

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

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

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

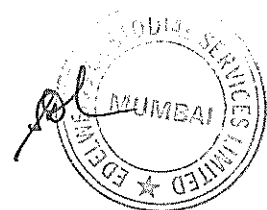
Compensated leave absences

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

1.10 Share-based payment arrangements:

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

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.11 Income tax expenses:

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

Current tax

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

Deferred tax

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

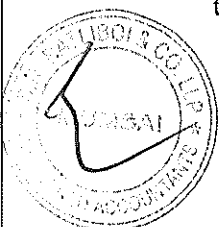
- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

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.

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



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.12 Good and service tax expenses:

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

1.13 Operating leases:

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognized based on contractual terms. Contingent rental payable is reorganised an expense in the period in which it is incurred.

1.14 Earnings per share:

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

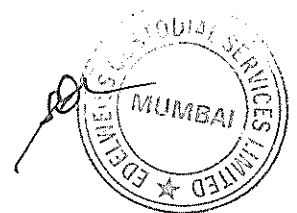
Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year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

1.15 Provisions and other contingent liabilities:

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

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.16 Significant accounting judgements, estimates and assumptions:

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

Judgements

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

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

1.17 Standards issued but not yet effective:

a) Ind 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 1 April 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.

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

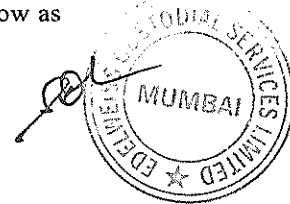
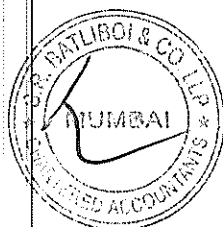
The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with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

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

1.18 First-time adoption – mandatory exceptions, optional exemptions:

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company is given below as per Ind AS 101.



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

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

Derecognition of financial assets and financial liabilities

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

Impairment of financial assets

The Company 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.

Accounting estimates

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

Past business combinations

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

Deemed cost for property, plant and equipment, 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 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.19 Annual Improvements to Ind AS (2018):

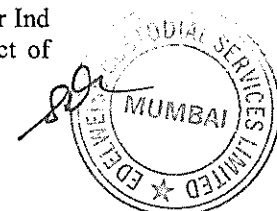
a) Ind AS 23 Borrowing costs

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

b) 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)).



Edelweiss Custodial Services Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2019

(Currency : Indian rupees in millions)

1.19 Annual Improvements to Ind AS (2018) *(Continued)*

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

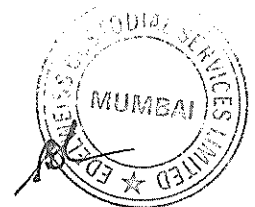
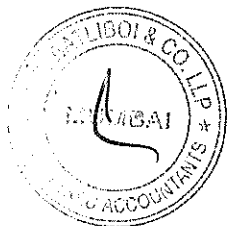
The application of these amendments is not likely to have a material impact on the Financial statements.

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

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

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

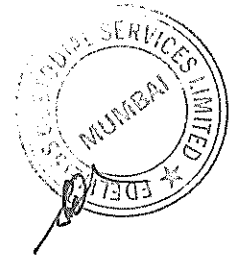
(Currency : Indian rupees in millions)

2.1 Property, plant and equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block	
	As at April 1, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 1, 2018	Charge for the year	Disposals during the year	As at March 31, 2019
Property, plant and equipment								
Furniture and fixtures	-	0.01	-	0.01	-	-	-	0.01
Office equipment	0.05	0.50	-	0.55	0.02	0.10	-	0.43
Computers	7.90	15.25	0.52	22.63	2.52	6.47	0.19	13.83
Total	7.95	15.76	0.52	23.19	2.54	6.57	0.19	14.27

2.2 Other intangible assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block	
	As at April 1, 2018	Additions during the year	Disposals during the year	As at March 31, 2019	As at April 1, 2018	Charge for the year	Disposals during the year	As at March 31, 2019
Other intangible assets								
Software	23.89	38.71	-	62.60	6.98	14.05	-	41.57
Total	23.89	38.71	-	62.60	6.98	14.05	-	41.57



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

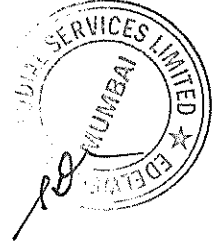
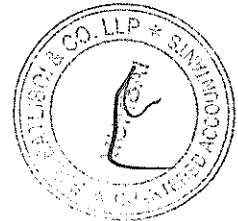
(Currency : Indian rupees in millions)

2.1a Property, plant and equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 1, 2017	Additions during the year	Disposals during the year	As at March 31, 2018	Charge for the year	Disposals during the year	As at March 31, 2018
Property, plant and equipment							
Vehicles	-	1.03	1.03	-	0.28	0.28	-
Office equipment	0.02	0.03	-	0.05	0.02	-	0.03
Computers	2.13	5.77	-	7.90	2.52	-	5.38
Total	2.15	6.83	1.03	7.95	2.82	0.28	5.42

2.2b Other intangible assets

Description of Assets	Gross Block			Accumulated Amortisation and Impairment			Net Block
	As at April 1, 2017	Additions during the year	Disposals during the year	As at March 31, 2018	Charge for the year	Disposals during the year	As at March 31, 2018
Other intangible assets							
Software	14.27	9.62	-	23.89	6.98	-	16.91
Total	14.27	9.62	-	23.89	6.98	-	16.91



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

As at March 31, 2019 As at March 31, 2018 As at April 01, 2017

	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.3 Non current investments									
Investments in equity instruments of associate companies (fully paid up)									
<i>Edelweiss Asset Reconstruction Company Limited</i>	10	54,459,142	628.94	10	54,459,142	628.94	10	54,459,142	628.94
			<u>628.94</u>			<u>628.94</u>			<u>628.94</u>

Aggregate value of investment in equity shares (unquoted)

- At cost
(refer note 2.35)

628.94

628.94

628.94

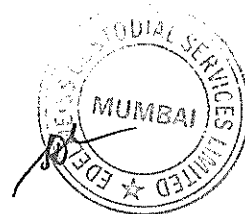
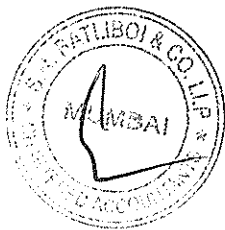


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
2.4 Other financial assets - non-current			
Deposits placed with exchange	21.20	17.30	16.10
Security deposits	20.71	-	-
Other deposits	0.05	-	-
	41.96	17.30	16.10
2.5 Current tax assets (net) - long term			
Advance income taxes (net of provision for tax ₹ 32.16 millions, March 31, 2018 ₹ Nil millions , April 01, 2017 ₹ 11.36 millions)	4.14	2.32	1.17
	4.14	2.32	1.17
2.6 Deferred tax assets (net)			
Deferred tax assets			
<u>Trade receivable</u>			
Expected credit loss	0.03	2.60	19.99
<u>Employee benefit obligations</u>			
Disallowances under section 43B of the Income Tax Act, 1961	4.53	-	-
<u>Unused tax credit</u>			
MAT credit entitlement (current)	-	-	0.63
<u>Fair valuation of employee stock options</u>	-	9.88	1.85
	4.56	12.48	22.47
Deferred tax liabilities			
<u>Property, plant and equipment and intangibles</u>			
Difference between book and tax depreciation (including intangibles)	1.03	1.37	1.99
	3.53	11.11	20.48

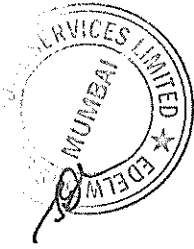
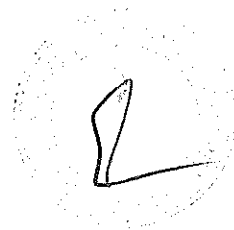


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2019			As at March 31, 2018			As at April 1, 2017		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.7 Current investments									
Investments in mutual funds									
JM High Liquidity Fund - Direct - Growth	-	-	-	10	6,314,713	300.00	-	-	-
						<u>300.00</u>			
Aggregate of quoted investment						300.00			-
- At market value									
(refer note 2.35)									

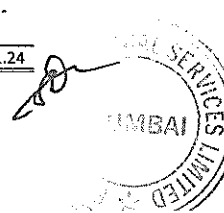
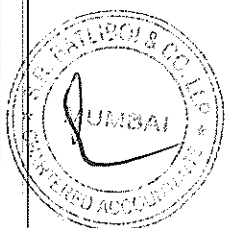


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
2.8 Trade receivables			
Secured, considered good *	405.74	415.24	31.97
Unsecured, considered good	20.59	124.52	1.16
Trade receivable - credit impaired	0.10	-	-
Total	426.43	539.76	33.13
Impaired Allowance (allowance for bad and doubtful debts)			
Trade receivable - credit impaired	0.10	-	-
Total	0.10	-	-
	426.33	539.76	33.13
* Secured by shares, fixed deposits and bank guarantees			
2.9 Cash and cash equivalents			
Balances with banks			
- in current accounts	10,252.30	10,216.23	5,313.87
	10,252.30	10,216.23	5,313.87
2.10 Bank balances other than cash and cash equivalents			
Fixed deposits with banks	7,924.73	68.67	45.01
Fixed deposits with banks to the extent held as margin money or guarantees (refer below note 2.10A)	8,249.38	7,210.89	4,556.00
	16,174.11	7,279.56	4,601.01
Note: Fixed deposit balance with banks earns interest at fixed rate.			
2.10A Encumbrances' on fixed deposits held by the Company			
i) Pledged with exchanges for meeting margin deposit requirement			
Axis Bank	250.00	-	2,900.00
Federal Bank	2,100.00	-	-
HDFC Bank Limited	-	2,000.00	-
ICICI Bank Limited	-	1.00	-
IDFC First Bank	1,949.38	1,050.00	-
IndusInd Bank Limited	5.00	10.00	-
Karur Vysya Bank	-	12.50	17.50
Kotak Mahindra Bank	-	350.00	700.00
Ratnakar Bank Limited	50.00	2,452.50	97.50
Yes Bank Limited	2,250.00	-	-
	6,604.38	5,876.00	3,715.00
ii) Pledged with banks for bank guarantees			
Axis Bank	200.00	200.00	200.00
Bank Of Baroda	200.00	190.00	200.00
Bank Of India	50.00	50.00	-
Citibank	195.00	150.00	100.00
ICICI Bank Limited	-	-	1.00
IDBI Bank	50.00	100.00	-
IDFC First Bank	100.00	-	-
IndusInd Bank Limited	100.00	100.00	100.00
Oriental Bank of Commerce	100.00	94.89	100.00
Punjab National Bank	200.00	-	-
Ratnakar Bank Limited	50.00	50.00	40.00
Standard Chartered Bank	200.00	200.00	100.00
State Bank of India	200.00	200.00	-
	1,645.00	1,334.89	841.00
2.11 Loans			
<u>Unsecured</u>			
Loans to employees	0.74	0.98	1.11
	0.74	0.98	1.11
2.12 Other financial assets - current			
Deposits placed with exchange	16.30	20.90	25.90
Receivable from exchange (net)	6.02	519.29	125.34
Advances recoverable in cash or in kind or for value to be received	5.10	-	-
	27.42	540.19	151.24

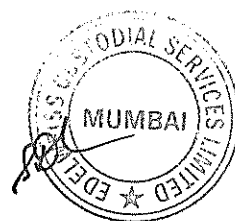


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
2.13 Current tax assets (net) - short term			
Advance income taxes (net of provision for tax ₹ Nil millions, March 31, 2018 ₹ 32.16 millions , April 01, 2017 ₹ Nil millions)	-	5.86	2.32
	<u>-</u>	<u>5.86</u>	<u>2.32</u>
2.14 Other non-financial assets			
Input tax credit	45.03	28.98	10.02
Prepaid expenses	54.36	49.68	46.78
Vendor advances	0.18	0.11	1.80
Advances recoverable in cash or in kind	0.03	2.83	1.77
Advances to employees	-	-	0.04
	<u>99.60</u>	<u>81.60</u>	<u>60.41</u>



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.15 Equity share capital

Authorised :

10,000,000 (Previous year: 10,000,000) Equity Shares of Re.10 each

Issued, Subscribed and Paid up:

6,267,500 (Previous year: 6,267,500) equity shares of Re.10 each, fully paid-up

a. Movement in share capital :

	March 31, 2019		March 31, 2018		April 01, 2017	
No of shares	Amount	No of shares	Amount	No of shares	Amount	Amount
Outstanding at the beginning of the year	62.68	6,267,500	62.68	6,267,500	62.68	54.93
Shares issued during the year	-	-	-	-	-	7.75
Outstanding at the end of the year	<u>62.68</u>	<u>6,267,500</u>	<u>62.68</u>	<u>6,267,500</u>	<u>62.68</u>	<u>62.68</u>

b. Shares held by holding/ultimate holding company and/or their subsidiaries/ associates

Edelweiss Securities Limited, the holding company

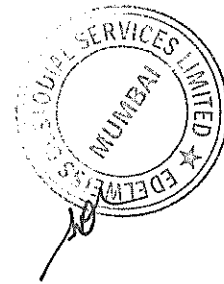
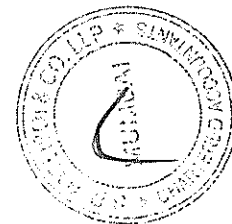
	March 31, 2019		March 31, 2018		April 01, 2017	
No of shares	Amount	%	No of shares	Amount	%	Amount
6,267,500	62.68	100%	6,267,500	62.68	100%	62.68
<u>6,267,500</u>	<u>62.68</u>	<u>100%</u>	<u>6,267,500</u>	<u>62.68</u>	<u>100%</u>	<u>62.68</u>

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

	March 31, 2019		March 31, 2018		April 01, 2017	
No of shares	%	No of shares	%	No of shares	%	%
6,267,500	100%	6,267,500	100%	6,267,500	100%	100%
<u>6,267,500</u>	<u>100%</u>	<u>6,267,500</u>	<u>100%</u>	<u>6,267,500</u>	<u>100%</u>	<u>100%</u>

d. Terms/rights attached to equity shares :

The Company has only one class of equity shares referred to as 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.



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
2.16 Other equity			
Securities premium reserve	652.10	652.10	652.10
Retained earnings	287.19	285.96	166.22
Deemed capital contribution	8.92	8.92	7.05
	948.21	946.98	825.37

A. Nature and purpose of reserves

a. Securities premium reserve

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

b. Retained earnings

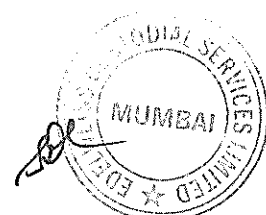
Retained earnings comprises of the Company's undistributed earnings after taxes.

c. Deemed capital contribution

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
B. Movement in Other equity			
I. Securities premium reserve			
Opening balance	652.10	652.10	559.10
Add : Additions during on issue of Equity Shares	-	-	93.00
	652.10	652.10	652.10
II. Retained earnings			
Opening balance	285.95	166.22	38.55
Add: Profit for the year	796.54	491.97	114.73
Add: Other comprehensive income*	0.39	(0.04)	0.01
Less: Deferred tax effect of ESOP	(9.88)	(10.11)	12.93
Impact on first time adoption of Ind AS (Refer Note 2.54)			
Amount available for appropriation	1,073.00	648.04	166.22
Appropriations:			
Interim dividend	651.82	300.84	-
Dividend distribution tax	133.98	61.24	-
	785.80	362.08	-
	287.20	285.96	166.22
III. Deemed capital contribution			
Opening balance	8.92	7.05	-
Add : ESOP charge for the year	-	1.87	7.05
	8.92	8.92	7.05
	948.22	946.98	825.37

* Amount is less than ₹ 0.01 million

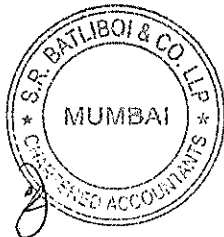


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2019	As at March 31, 2018	As at April 01, 2017
2.17 Provisions - non-current			
Provision for employee benefits			
Gratuity	11.54	6.49	4.07
Compensated leave absences	2.41	1.10	0.73
	<u>13.95</u>	<u>7.59</u>	<u>4.80</u>
2.18 Borrowings (other than debt securities) (refer note 2.36)			
<u>Unsecured</u>			
Interest accrued and due on borrowings	1.24	2.55	9.12
Loan from related parties	2.92	303.92	414.37
(Repayable on demand, Interest rate payable ranging @ 9.30% to 9.50% for March-19, 10% for March-18 and ranging from 10% to 11.09% for March-17)			
	<u>4.16</u>	<u>306.47</u>	<u>423.49</u>
2.19 Trade payables			
Total outstanding dues of micro enterprises and small enterprises (refer note 2.54)	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	416.43	62.04	4.23
	<u>416.43</u>	<u>62.04</u>	<u>4.23</u>
2.20 Other financial liabilities			
Margin money			
Payable to client (net)	25,948.18	18,030.91	9,444.49
(Deployed in the form of bank balances and fixed deposits amounting to ₹ 26,426.41 millions, March 31, 2018 ₹ 17,495.79 millions and March 31, 2017 ₹ 9,914.88 millions)			
Others			
Book overdraft	90.38	-	0.49
Accrued salaries and benefits	56.32	68.02	49.02
Payable to exchange (net)	13.13	9.95	0.17
Outstanding expenses payable	38.97	23.88	6.85
	<u>26,146.98</u>	<u>18,132.76</u>	<u>9,501.02</u>

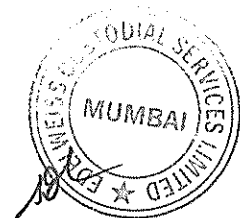
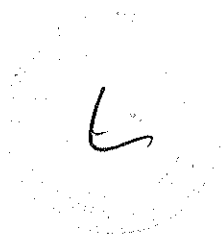


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2019	As at 31 March 2018	As at April 1, 2017
2.21 Other current liabilities			
Revenue received in advance			
Income received in advance	1.07	-	-
Others			
Others	4.34	0.59	0.09
Statutory liabilities*	68.51	72.30	6.66
	<u>73.92</u>	<u>72.89</u>	<u>6.75</u>
<i>* Includes withholding taxes, Provident fund and other statutory dues payable</i>			
2.22 Provisions - current			
Provision for employee benefits			
Gratuity	1.09	1.09	0.62
Compensated absences	0.50	0.24	0.14
Others			
Provision for capex	2.93	0.01	1.04
	<u>4.52</u>	<u>1.34</u>	<u>1.80</u>
2.23 Current tax liabilities (net)			
Provision for taxation	68.57	54.13	16.06
(net of advance tax ₹ 467.95 millions, March 31, 2018 ₹ 149.70, April 01, 2017 ₹ Nil)			
	<u>68.57</u>	<u>54.13</u>	<u>16.06</u>

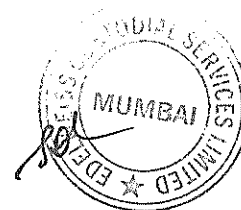
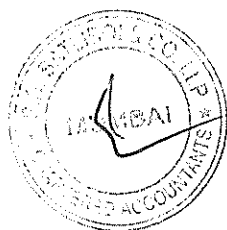


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations		
2.24 Fee income (refer note 2.53)		
Advisory and other fees	5.23	-
Custody fees	26.40	13.48
Clearing Fees	158.80	154.19
Interest on delayed payment	122.40	352.25
	312.83	519.92
2.25 Interest Income		
On deposits	2,289.33	1,144.53
On others	0.51	3.25
	2,289.84	1,147.78
2.26 Income from treasury & investments		
- Investments		
Profit on sale of current investments (net)	0.87	-
	0.87	-
2.27 Other income		
Profit on sale of fixed assets (net)	0.03	0.35
Foreign exchange gain	0.10	-
Miscellaneous income	13.11	0.75
	13.24	1.10



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

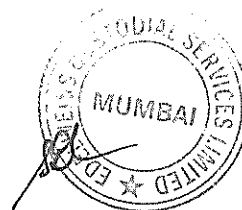
	For the year ended March 31, 2019	For the year ended March 31, 2018
2.28 Employee benefit expenses		
Salaries and wages	224.15	146.32
Contribution to provident and other funds (refer note 2.34(a) and 2.45)	8.04	3.74
Expense on employee stock option scheme (ESOP) - refer note below	2.83	1.87
Staff welfare expenses	4.64	1.78
	239.65	153.71

Note:

Edelweiss Financial Services Limited ("EFSL") the holding Company has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

2.29 Finance costs

Interest on borrowings	23.79	52.47
Financial and bank charges	146.55	118.69
Interest on Margin	859.87	548.90
Interest - others	2.77	1.42
	1,032.98	721.48



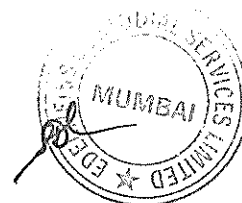
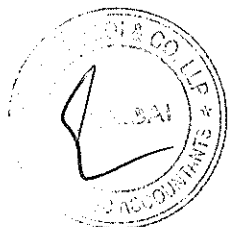
Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended March 31, 2019	For the year ended March 31, 2018
2.30 Other expenses		
Advertisement and business promotion	6.36	4.53
Auditors' remuneration (refer note below)	1.14	1.40
Clearing and custodian charges	0.19	-
Communication	7.09	2.50
Computer expenses	2.42	0.47
Computer software	15.69	7.32
Corporate social responsibility (refer note 2.58)	2.50	0.10
Dematerialisation charges	4.20	3.75
Electricity charges (refer note 2.41)	1.92	1.79
Foreign exchange loss (net)	-	0.10
Impairment on financial instruments*	0.10	0.01
Insurance	0.03	-
Legal and professional fees	46.45	6.71
Membership and subscription	1.29	1.76
Office expenses (refer note 2.41)	68.19	35.05
Printing and stationery	0.16	0.29
Rates and taxes*	0.01	0.01
Rating support fees	0.08	-
Rent (refer note 2.37(c) and 2.41)	24.46	13.89
Repairs and maintenance (refer note 2.41)	0.12	0.06
Seminar and conference	(0.31)	0.70
Stock exchange expenses	1.61	1.55
Goods and service tax expenses	0.87	0.68
Transportation charges	0.01	-
Travelling and conveyance	11.60	6.30
Miscellaneous expenses*	0.22	0.01
Housekeeping and security charges (refer note 2.41)	4.34	0.20
	200.74	89.17
Auditors' remuneration:		
As Auditors	1.00	1.37
Towards reimbursement of expenses	0.14	0.03
	1.14	1.40

* Amount is less than ₹ 0.01 million



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.31 Income tax

The components of income tax expense :

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax	330.54	203
Adjustment in respect of current income tax of prior years	(2.08)	0.83
Deferred tax relating to origination and reversal of temporary differences	(2.21)	(0.76)
Total tax charge for the year	326.25	202.67
Current tax (refer note 2.28a)	328.46	203.43
Deferred tax (refer note 2.28b)	(2.21)	(0.76)

2.31a The Income tax expenses for the year can be reconciled to the accounting profit as follows:

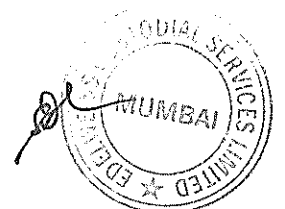
Particulars	As at March 31, 2019	As at March 31, 2018
Profit before taxes	1,122.79	694.63
Statutory Income tax rate	29.12%	28.84%
Tax charge at statutory rate	326.96	200.39
Tax effect of:		
Adjustment in respect of current income tax of prior years	(2.08)	0.83
Effect of income not subject to tax:		
Deduction u/s 35D (1/5th of capital expenditure)	(0.01)	(0.01)
Effect of non-deductible expenses:		
Donation/ contribution towards CSR	0.73	0.03
Interest on shortfall of advance tax	0.93	0.41
Interest on late payment of TDS	0.01	-
Purchase of mobiles phones debited to P&L	0.23	0.01
Donation - deduction under chapter VI-A (Section 80G)	(0.36)	(0.01)
Employee stock option charges	-	0.54
Gratuity Expenses	-	(0.01)
Minimum alternate tax on book profits (Incremental portion)	-	0.63
Impact of tax rate changes	(0.24)	(0.04)
DTA on gratuity	0.09	(0.02)
Tax charge for the year recorded in P&L	326.25	202.67

2.31b The following table shows deferred tax recorded in the balance sheet and changes recorded in the income tax expense:

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2018-19)				Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss		
Deferred taxes in relation to:							
Property, plant and equipment	(1.37)	0.34	-	-	-	0.34	(1.03)
Employee benefits obligations	-	-	0.09	-	(0.09)	-	-
Employee stock option charges	9.88	-	-	(9.88)	-	(9.88)	-
Gratuity and compensated absense	2.60	1.93	-	-	-	1.93	4.53
Provision on expected credit loss	-	0.03	-	-	-	0.03	0.03
Total	11.11	2.30	0.09	(9.88)	(0.09)	(7.58)	3.53

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2017-18)				Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss		
Deferred taxes in relation to:							
Property, plant and equipment	(1.99)	0.62	-	-	-	0.62	(1.37)
Employee benefits obligations	-	-	(0.01)	-	0.01	-	-
Employee stock option charges	19.99	-	-	(10.11)	-	(10.11)	9.88
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	0.63	(0.63)	-	-	-	(0.63)	-
Gratuity and compensated absense	1.84	0.76	-	-	-	0.76	2.60
Total	20.48	0.75	(0.01)	(10.11)	0.01	(9.37)	11.11

Break-up of recognition of current tax in P&L	31-Mar-19	31-Mar-18
	326.25	202.67



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

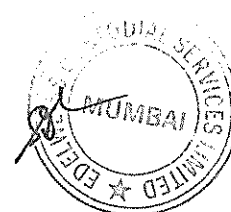
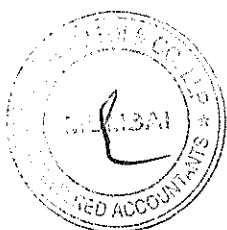
2.32 Earnings per share

In accordance with Indian Accounting Standard 33 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:			
	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	Shareholders earnings (as per Statement of Profit and Loss)	796.54	491.96
	Less: dividend on preference share including dividend distribution tax	Nil	Nil
	Net profit for the year attributable to equity shareholders	796.54	491.96
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each		
	Number of shares outstanding at the beginning of the year	62,67,500	62,67,500
	Number of Shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	62,67,500	62,67,500
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	62,67,500	62,67,500
(c)	Number of dilutive potential equity shares	-	-
(d)	Basic and diluted earnings per share (in rupees) (a)/(b)	127.09	78.49

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

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.33 Segment reporting

The Company has two business segments.

1. The Company is in the business of providing custodial, clearing and settlement services for securities and financial instruments.

2. The Company also holds investments in equity shares of a associate company, and in Mutual Funds which combined is another business segment. The segment revenue, segment asset and segment result of this segment is less than 10% of combined revenue, assets and result of both the segments. Hence this segment is not identified as a reportable segment as defined under Indian Accounting Standard 108 on Segment Reporting as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

Since business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment

No revenue from transactions with a single external customers amounted to 10% or more of the Company's total revenue for the year ended 31st March 2019 or 31st March 2018.

2.34 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits

A) Defined contribution plan - Provident fund and national pension scheme

Amount of ₹ 7.72 million (Previous year: ₹ 3.73 million) is recognised as expenses in "Employee benefit expenses" – note 2.28 in the statement of profit and loss.

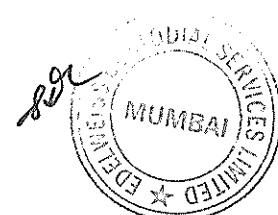
B) Defined benefit plan - Gratuity

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

Statement of Profit and Loss account

Expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	For the year ended 31 March 2017
Service cost			
a. Current service cost	2.08	1.17	0.52
b. Past service cost	-	0.42	-
c. Loss/ (Gain) from Settlement	-	-	-
Net interest on net defined benefit liability/ (asset)	0.79	0.49	0.28
Changes in foreign exchange rates	-	-	-
Employer Expense	2.86	2.08	0.80



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

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

B) Defined benefit plan – Gratuity (Continued)

Net liability/(assets) recognized in the balance sheet

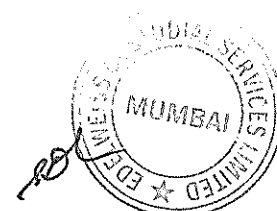
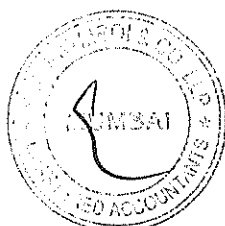
Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Present value of defined benefit obligation (DBO)	12.63	7.59	4.69
Fair value of plan assets	-	-	-
Net (assets)/liability recognised in the balance sheet	12.63	7.59	4.69
Of which, Short term provision	1.77	1.09	0.62

Reconciliation of defined benefit obligation

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Present value of DBO at start of the year	7.59	4.69	2.04
Transfer In / (Out)	3.18	2.52	1.76
Interest cost	0.79	0.49	0.28
Current service cost	2.08	1.17	0.52
Benefit paid	(0.70)	(1.74)	-
Past service cost (vested benefit)	-	0.42	-
Actuarial (gain)/loss on obligations	(0.30)	0.03	0.10
Present value of DBO at the end of the year	12.63	7.59	4.69

Reconciliation of fair value of plan assets

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Fair value of plan assets at the start of the year	-	-	-
Expected return on plan assets	-	-	-
Contributions by employer	0.70	1.74	-
Benefits paid	(0.70)	(1.74)	-
Actuarial (loss)/gain on plan assets	-	-	-
Actual return on plan assets	-	-	-
Fair value of plan assets at the end of the year	-	-	-



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

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

B) Defined benefit plan – Gratuity (Continued)

Movement on Other Comprehensive Income

Particulars	As at 31 March 2019	As at 31 March 2018*	As at 31 March 2017*
Balance at start of year (Loss)/ Gain	Nil	Nil	Nil
<i>Re-measurement on DBO</i>	-	-	-
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	-	-
b. Actuarial (Loss)/Gain from changes in financial assumptions	(0.20)	(0.22)	(0.09)
c. Actuarial (Loss)/Gain from experience over the past years	0.50	0.25	0.01
<i>Re-measurement on Plan Assets</i>			
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-	-
Balance at the end of year (Loss)/ Gain	0.30	0.03	0.10

*Ind AS 19 is being adopted from FY 2018-19 and date of transition being April 1, 2018. so prior disclosures are for comparative purposes only

Sensitivity Analysis

DOB increases / (decreases) by	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
1 % Increase in Salary Growth Rate	0.62	0.46	0.16
1 % Decrease in Salary Growth Rate	(0.66)	(0.42)	(0.15)
1 % Increase in Discount Rate	(0.66)	(0.42)	(0.15)
1 % Decrease in Discount Rate	0.62	0.46	0.16
1 % Increase in Withdrawal Rate	(0.08)	(0.03)	(0.02)
1 % Decrease in Withdrawal Rate	0.08	0.03	0.02
Mortality (Increase in expected lifetime by 1 year)	Negligible Change	Negligible Change	Negligible Change
Mortality (Increase in expected lifetime by 3 year)	Negligible Change	(0.01)	Negligible Change



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

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

B) Defined benefit plan – Gratuity (Continued)

Movement in Surplus/(Deficit)

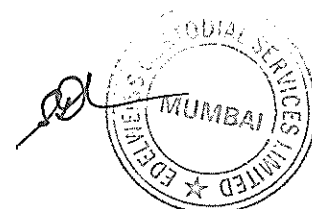
Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Surplus/ (Deficit) at start of year	(7.59)	(4.69)	(2.04)
Net (Acquisition)/ Divestiture	-	-	-
Net Transfer (In)/ Out	(3.18)	(2.52)	(1.76)
<i>Movement during the year</i>			
Current Service Cost	(2.08)	(1.17)	(0.52)
Past Service Cost	-	(0.42)	-
Net interest on net DBO	(0.79)	(0.49)	(0.28)
Changes in Foreign Exchange Rates	-	-	-
Re-measurement	0.30	(0.03)	(0.10)
Contributions/ Benefits	0.70	1.74	-
Surplus / (Deficit) at end of year	(12.63)	(7.59)	(4.69)

Experience Adjustment:

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Defined Benefit Obligation	12.63	7.59	4.69	2.04	1.84
Fair Value of Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(12.63)	(7.59)	(4.69)	(2.04)	(1.84)
Experience Adjustment on Plan Liabilities: (Gain) / (Loss)	(0.50)	0.25	0.01	(0.01)	0.21
Experience Adjustment on Plan Assets: Gain/ (Loss)	NA	NA	NA	NA	NA

Principle actuarial assumptions at the balance sheet date

Particulars	As at 31 March 2019	As at 31 March 2018	As at 31 March 2017
Discount rate current	7%	7.3%	6.8%
Salary escalation current	7%	7%	7%
Employees attrition rate (based on categories)	13%-25%	13%-25%	13%-25%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2006-08 (Ult.)	IALM 2006-08 (Ult.)
Expected average remaining working lives of employees	5 years	5 years	5 years



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.35 Investments

As at March 31, 2019

Particular	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity Share (refer note 1)	-	-	-	-	-	628.94	628.94
TOTAL - Gross (A)	-	-	-	-	-	628.94	628.94
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	-	-	-	628.94	628.94
Total (B)	-	-	-	-	-	628.94	628.94
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	-	-	-	628.94	628.94

As at March 31, 2018

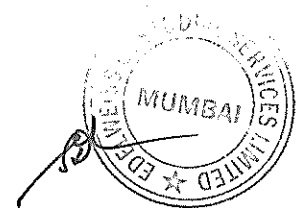
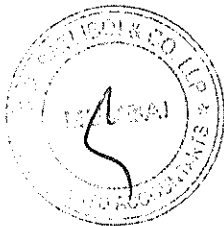
Particular	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Mutual Fund	-	-	300.00	-	300.00	-	300.00
Equity Share (refer note 1)	-	-	-	-	-	628.94	628.94
TOTAL - Gross (A)	-	-	300.00	-	300.00	628.94	928.94
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	300.00	-	300.00	628.94	928.94
Total (B)	-	-	300.00	-	300.00	628.94	928.94
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	300.00	-	300.00	628.94	928.94

As at April 01, 2017 (i.e. March 31, 2017)

Particulars	At Amortised cost (1)	At fair value			Subtotal 5 = (2+3+4)	At cost (subsidiaries, associates, and joint ventures) (6)	Total (7)= (1+5+6)
		Through OCI (2)	Through P&L (3)	Designated at fair value through Profit or loss (4)			
Equity Share (refer note 1)	-	-	-	-	-	628.94	628.94
TOTAL - Gross (A)	-	-	-	-	-	628.94	628.94
(i) Investments outside India	-	-	-	-	-	-	-
(ii) Investment in India	-	-	-	-	-	628.94	628.94
Total (B)	-	-	-	-	-	628.94	628.94
Less: Allowance for impairment (C)	-	-	-	-	-	-	-
Total Net (A-C)	-	-	-	-	-	628.94	628.94

Note:

- 1) The above investment is in equity share issued by Company in same, hence no ECL is being provided on it.
- 2) Please refer note 2.38 - Fair value measurement for valuation methodology



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.36 Change in liabilities arising from financing activities

Particulars	1-Apr-18	Cash flows	Changes in fair values	Exchange differences	Accrued interest on loan	31-Mar-19
Borrowings other than debt securities	306.47	(300.99)	-	-	(1.32)	4.16
Total liabilities from financing activities	306.47	(300.99)	-	-	(1.32)	4.16

Particulars	1-Apr-17	Cash flows	Changes in fair values	Exchange differences	Accrued interest on loan	31-Mar-18
Borrowings other than debt securities	423.49	(110.45)	-	-	(6.57)	306.47
Total liabilities from financing activities	423.49	(110.45)	-	-	(6.57)	306.47



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.37 Contingent liabilities, commitments and lease arrangements

a. Contingent liabilities (to the extent not provided for)

- a) The Company has provided bank guarantees aggregating to ₹ 17,170.00 million (Previous year: ₹ 15,850.00 million) as on 31 March 2019 to The National Stock Exchange of India Limited for meeting margin requirements.

The Company has pledged fixed deposits with banks aggregating of ₹ 1,595.00 million (Previous year: ₹ 1,254.89 million) for obtaining the above bank guarantees.

- b) The Company has provided bank guarantees aggregating to ₹ 530.00 million (Previous year: ₹ 500.00 million) as on 31 March 2019 to The Bombay Stock Exchange of India Limited for meeting margin requirements.

The Company has pledged fixed deposits with banks aggregating of ₹ 20.00 million (Previous year: ₹ 50.00 million) for obtaining the above bank guarantees.

- c) The Company has provided bank guarantees aggregating to ₹ 150.00 million (Previous year: ₹ 400.00 million) as on 31 March 2019 to Metropolitan Stock Exchange of India Ltd for meeting margin requirements.

The Company has pledged fixed deposits with banks aggregating of ₹ 30.00 million (Previous year: ₹ 30.00 million) for obtaining the above bank guarantees.

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

There are no obligations as on 31st March 2019 other than those disclosed above and in note 2.10A.

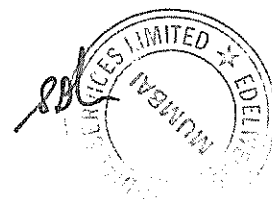
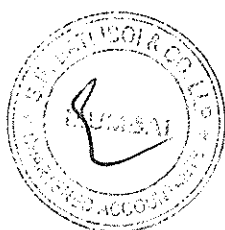
b. Capital commitments (to the extent not provided for)

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 11.40 million (Previous year: ₹ 0.20 million)

c. Operating leases

The Company has entered into commercial leases for premises & equipment. These leases have an average life of between three to five years with no renewal option included in the contract. There are no restriction placed upon by the lessor by entering into these leases.

The Company has taken various premises on operating lease agreements. Gross rental expenses for the year ended 31 March 2019 aggregated to ₹ 2.00 million (Previous year ₹ Nil) (refer note 2.30) which has been included under the head Operating and other expenses – Rent in the statement of profit and loss.



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.37 Contingent liabilities, commitments and lease arrangements (Continued)

c. Operating leases (Continued)

Details of future minimum lease payments for the non-cancellable operating lease are as follows:

	For the year ended 31 March 2019	For the year ended 31 March 2018
Minimum lease payments for non cancellable lease		
- not later than one year	27.72	Nil
- later than one year and not later than five years	26.89	Nil
Total	54.61	Nil

Future minimum lease payments for the non-cancellable operating lease are gross of sharing of expenses with group companies.

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

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

Edelweiss Financial Services Limited	Ultimate Holding company
Edelweiss Securities Limited	Holding company

(B) Fellow subsidiaries with whom the Company has transactions:

EC Commodity Limited

Ecap Equities Limited

ECL Finance Limited

Edel Investments Limited

Edel Land Limited

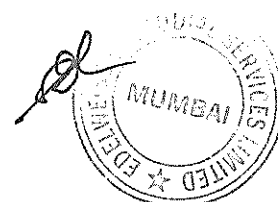
Edelcap Securities Limited

EdelGive Foundation

Edelweiss Asset Management Limited

Edelweiss Agri Value Chain Limited (merged with Edelweiss Rural & Corporate Services Limited w.e.f. Feb 18, 2019) (Formerly Edelweiss Commodities Services Limited)

Edelweiss Broking Limited



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

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

(B) Fellow subsidiaries with whom the Company has transactions: (Continued)

Edelweiss Business Services Limited (merged with Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) (date of cessation of EBSL as subsidiary and date of merger dtd. Feb 18, 2019)

Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)

Edelweiss Comtrade Limited

Edelweiss Finance & Investments Limited

Edelweiss Finvest Private Limited

Edelweiss Global Wealth Management Limited

Edelweiss Investment Adviser Limited

Edelweiss Multi Strategy Funds Management Private Limited (merged with Edelweiss Asset Management Limited w.e.f. Feb 01, 2019)

Edelweiss Multi Strategy Fund Advisors LLP (Formerly Edelweiss Wealth Advisors LLP)

Edelweiss Housing Finance Limited

Edelweiss Insurance Brokers Limited

Edelweiss Retail Finance Limited

Edelweiss Securities And Investments Private Limited
(Formerly Magnolia Commodities Services Private Limited)

Edelweiss Investment Advisors Pte. Limited

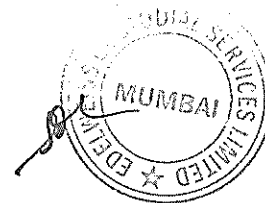
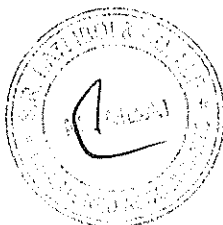
Edelweiss Securities (IFSC) Limited

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

EFSL Comtrade Limited (merged with Edelweiss Rural & Corporate Services Limited w.e.f. May 04, 2018) (Formerly Edelweiss Commodities Services Limited)

(C) Associate company with whom the Company has transactions

Edelweiss Asset Reconstruction Company Limited



Edelweiss Custodial Services Limited

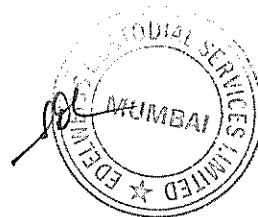
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.38 Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" : (Continued)

(ii) Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	31 March 2019	31 March 2018
Capital account transactions				
1	Short term loans taken from (refer note 1)	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	1,354.29	3,338.54
2	Short term loans repaid to (refer note 1)	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	1,655.28	3,448.99
Current account transactions				
3	Margin received from (refer note 1)	Edelweiss Securities Trading and Management Private Limited (Formerly Dahlia Commodities Services Private Limited)	524.64	124.43
		EC Commodity Limited	-	505.33
		ECap Equities Limited	6,395.61	2,996.96
		ECL Finance Limited	3,259.46	236.07
		Edel Investments Limited	3,943.36	145.93
		Edelcap Securities Limited	4,656.16	6,218.20
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) (refer note 2)	1,631.85	1,106.45
		Edelweiss Finance & Investments Limited	3.22	51.92
		Edelweiss Financial Services Limited	55.92	6.51
		Edelweiss Finvest Private Limited	690.03	11.07
		Edelweiss Global Wealth Management Limited	357.66	-
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	132.87	135.96
		Edelweiss Multi Strategy Fund Advisors LLP	-	0.96
		Edelweiss Securities And Investments Private Limited (Formerly Magnolia Commodities Services Private Limited)	946.26	1,010.39
		Edelweiss Broking Limited	3,495.62	3,377.75
		Edel Land Limited	1.91	297.75
		Edelweiss Investment Adviser Limited	3,243.88	758.51
		Edelweiss Securities Limited	349.92	397.67
		Edelweiss Comtrade Limited	431.56	-
4	Margin repaid to (refer note 1)	Edelweiss Securities Trading and Management Private Limited (Formerly Dahlia Commodities Services Private Limited)	559.68	130.27
		EC Commodity Limited	466.90	-
		ECap Equities Limited	5,256.12	1,944.72
		ECL Finance Limited	1,883.67	747.43
		Edel Investments Limited	3,945.08	120.28
		Edelcap Securities Limited	3,622.23	5,940.65
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) (refer note 2)	2,005.24	1,317.14
		Edelweiss Finance & Investments Limited	24.93	57.31
		Edelweiss Financial Services Limited	0.01	12.18
		Edelweiss Finvest Private Limited	37.74	277.61
		Edelweiss Global Wealth Management Limited	357.66	2.38
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	110.10	100.97
		Edelweiss Multi Strategy Fund Advisors LLP	-	85.85
		Edelweiss Securities And Investments Private Limited (Formerly Magnolia Commodities Services Private Limited)	1,974.24	-
		Edelweiss Broking Limited	5,290.45	3,104.89



Edelweiss Custodial Services Limited

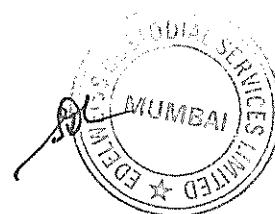
Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.38 Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" : (Continued)

(ii) Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	31 March 2019	31 March 2018
5	Margin paid to (refer note 1) (Continued)	Edel Land Limited	240.00	17.69
		Edelweiss Investment Adviser Limited	2,356.27	666.41
		Edelweiss Securities Limited	113.16	55.87
6	Interest Expenses on loan from	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	23.79	52.47
7	Interest expenses on margin placed by	Edelweiss Financial Services Limited	0.84	0.46
		Edelweiss Securities And Investments Private Limited (Formerly Magnolia Commodities Services Private Limited)	27.54	9.29
		Edelweiss Finvest Private Limited	1.84	2.36
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) (refer note 2)	22.82	32.93
		Edelweiss Multi Strategy Fund Advisors LLP	-	1.22
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	2.69	2.52
		Edelweiss Securities Trading and Management Private Limited (Formerly known Dahlia Commodities Services Private Limited)	4.39	4.88
		Edelcap Securities Limited	163.01	66.78
		Edel Investments Limited	71.22	7.29
		EC Commodity Limited	15.39	14.97
		ECL Finance Limited	18.81	16.66
		ECap Equities Limited	149.19	50.26
		Edelweiss Finance & Investments Limited	2.66	3.49
		Edelweiss Global Wealth Management Limited	0.80	0.05
		Edel Land Limited	6.61	7.15
		Edelweiss Broking Limited	229.55	242.75
		Edelweiss Investment Adviser Limited	38.19	5.60
		Edelweiss Securities Limited	30.10	17.31
		Edelweiss Comtrade Limited	2.20	-
		8	Clearing charges income received from	Edelweiss Finvest Private Limited
Edelweiss Securities Trading and Management Private Limited (Formerly Dahlia Commodities Services Private Limited)	0.20			0.25
EC Commodity Limited	0.01			0.11
Ecap Equities Limited	0.22			0.27
Ecl Finance Limited	0.23			0.24
Edel Investments Limited	0.17			0.16
Edelcap Securities Limited	0.12			0.19
Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	0.05			0.20
Edelweiss Finance & Investments Limited	0.11			0.15
Edelweiss Financial Services Limited	0.08			0.06
Edelweiss Multi Strategy Fund Advisors LLP	-			0.06
Edelweiss Securities And Investments Private Limited (Formerly Magnolia Commodities Services Private Limited)	0.21			0.28
Edel Land Limited	0.18			-
Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) (refer note 2)	0.17			0.34
Edelweiss Investment Adviser Limited	0.15			-
Edelweiss Global Wealth Management Limited	0.01			-



Edelweiss Custodial Services Limited

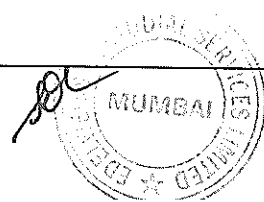
Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.38 Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" : (Continued)

(ii) Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	31 March 2019	31 March 2018
9	Cost reimbursement paid to	Edelweiss Financial Services Limited	3.66	0.34
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	12.65	5.97
		Edelweiss Broking Limited	4.09	2.95
		Edelweiss Securities Limited	1.97	6.19
		ECL Finance Limited	2.29	0.03
		Edelweiss Global Wealth Management Limited*	0.01	0.02
		Ecap Equities Limited	1.92	0.42
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) (refer note 2)	67.51	34.90
		Edelweiss Housing Finance Limited	0.08	-
		Edelweiss Investment Advisors Pte. Limited	38.18	-
10	Donation given to	EdelGive Foundation	2.50	0.10
11	Corporate guarantee support fee paid to	Edelweiss Financial Services Limited	12.44	10.06
12	Rating fees paid	Edelweiss Financial Services Limited	0.08	-
13	Paid towards ESOP	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	0.12	35.11
14	Interim dividend paid to	Edelweiss Securities Limited	651.82	300.84
15	Received towards ESOP from	Edelweiss Financial Services Limited	15.27	35.21
16	Nomination deposits received from	Edelweiss Asset Reconstruction Company Limited	0.20	0.40
17	Custody Fees Income received from	Edelweiss Asset Management Limited (refer note 3)	1.40	0.65
		Edelweiss Global Wealth Management Limited	0.03	-
18	Fund Accounting Fee Income received from	Edelweiss Asset Management Limited (refer note 3)	1.33	0.25
		Edelweiss Global Wealth Management Limited	0.09	-
19	Fixed Assets purchased from	Edelweiss Securities Limited	0.12	0.33
		Edelweiss Finance & Investments Limited	-	0.18
		Ecap Equities Limited	0.02	-
		ECL Finance Limited	0.11	-
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) (refer note 2)	0.03	0.54
		Edelweiss Broking Limited	0.18	-
		Edelweiss Financial Services Limited	0.09	-
		Edelweiss Housing Finance Limited	0.03	-
		Edelweiss Insurance Brokers Limited	0.01	-
		Edelweiss Investment Adviser Limited	0.07	-
		Edelweiss Retail Finance Limited	0.02	-
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	0.07	-
20	Fixed Assets sold to	ECL Finance Limited	0.10	-
		Edelweiss Broking Limited	0.03	-
		Edelweiss Finance & Investments Limited	0.02	-
		Edelweiss Asset Management Limited (refer note 3)	0.01	-
		Edelweiss Securities Limited	0.17	-
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) (refer note 2)	0.04	-
21	Transfer of gratuity liability to	Edelweiss Securities Limited	3.69	1.47
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)*	0.01	0.71
		Edelweiss Comtrade Limited	-	0.41
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) (refer note 2)	0.25	-
		ECL Finance Limited	0.58	-
		Edelweiss Financial Services Limited	0.03	-
		Edelweiss Securities (IFSC) Limited	0.10	-
22	Transfer of gratuity liability from	EC Commodity Limited	-	0.30
		Edelweiss Broking Limited	0.22	-
		Edelweiss Retail Finance Limited	1.25	-



Edelweiss Custodial Services Limited

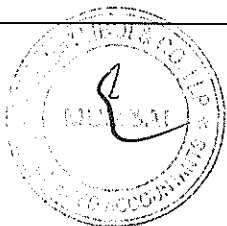
Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.38 Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" : (Continued)

(ii) Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	31 March 2019	31 March 2018
	Balances with related parties			
23	Prepaid expenses	Edelweiss Financial Services Limited	0.92	-
24	Short Term Loans Taken from	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	2.93	303.92
25	Trade Payables to	Edelweiss Financial Services Limited	14.66	11.37
		Edelweiss Comtrade Limited	0.87	-
		Edelweiss Broking Limited	9.92	15.53
		Edelweiss Securities Limited	0.38	2.08
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) (refer note 2)	35.79	23.12
		ECL Finance Limited	0.37	0.02
		Ecap Equities Limited	0.35	0.06
		Edelweiss Investment Adviser Limited	1.95	0.56
		Edel Land Limited	0.07	0.43
		Edelweiss Housing Finance Limited	0.05	-
		Edelweiss Investment Advisors Pte. Limited	-	-
		Edelweiss Securities (IFSC) Limited	0.06	-
26	Other payables on account of gratuity to	Edelweiss Broking Limited	0.22	-
		Edelweiss Retail Finance Limited	1.25	-
		EC Commodity Limited	-	0.30
27	ESOP cost payable	Edelweiss Financial Services Limited	2.83	-
28	Accrued interest expenses on margin placed by	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) (refer note 2)	-	1.35
		Edelcap Securities Limited	3.75	3.09
		Edelweiss Securities Trading and Management Pvt.Ltd.(Formerly known Dahlia Commodities Services Private Limited)	0.07	0.14
		EC Commodity Limited	0.62	0.94
		Ecap Equities Limited	3.57	2.98
		Edelweiss Finance & Investments Limited	0.15	0.16
		ECL Finance Limited	4.02	0.27
		Edelweiss Securities And Investments Private Limited (Formerly Magnolia Commodities Services Private Limited)	0.17	1.02
		Edelweiss Finvest Private Limited	1.01	0.02
		Edel Investments Limited	1.12	0.27
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	0.14	-
		Edel Land Limited	0.07	-
		Edelweiss Broking Limited	9.90	-
		Edelweiss Comtrade Limited	0.87	-
		Edelweiss Financial Services Limited	0.08	-
		Edelweiss Investment Adviser Limited	1.95	-
		Edelweiss Securities Limited	1.86	-
29	Margins payable to clients	Edelweiss Securities Limited	580.64	343.89
		Edelweiss Broking Limited	1,883.23	3,678.06
		Edelweiss Securities Trading and Management Pvt.Ltd.(Formerly known Dahlia Commodities Services Private Limited)	49.99	85.02
		EC Commodity Limited	491.50	858.90
		Ecap Equities Limited	2,418.93	1,279.45
		ECL Finance Limited	1,502.04	126.25
		Edel Investments Limited	120.06	121.78
		Edelcap Securities Limited	2,363.58	1,329.65
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) (refer note 2)	-	373.39
		Edelweiss Finance & Investments Limited	93.93	115.64
		Edelweiss Financial Services Limited	66.18	10.27
		Edelweiss Finvest Private Limited	667.67	15.39



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.38 Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" : (Continued)

(ii) Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	31 March 2019	31 March 2018
30	Margins payable to clients (Continued)	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	82.66	59.89
		Edelweiss Securities And Investments Private Limited (Formerly Magnolia Commodities Services Private Limited)	74.50	1,102.48
		Edel Land Limited	41.98	280.07
		Edelweiss Investment Adviser Limited	979.70	92.10
		Edelweiss Comtrade Limited	431.56	-
31	Trade receivables from	Edelweiss Global Wealth Management Limited	0.14	-
		Edelweiss Asset Management Limited (refer note 3)	0.40	0.20
32	Advances recoverable on account of gratuity from	Edelweiss Securities Limited	3.69	1.47
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd) (refer note 2)	-	-
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	0.25	0.71
		Edelweiss Financial Services Limited	0.03	-
		Edelweiss Securities (IFSC) Limited	0.10	-
		ECL Finance Limited	0.58	-
		Edelweiss Comtrade Limited	-	0.41
33	Nomination deposits - Receivables	Edelweiss Asset Reconstruction Company Limited	0.20	-
34	Investments in equity shares of	Edelweiss Asset Reconstruction Company Limited	628.94	628.94
35	Interest accrued and due on borrowings	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd)	1.24	2.55
36	Corporate guarantee received from	Edelweiss Financial Services Limited	17,850.00	16,750.00

* Amount is less than ₹ 0.01 million

Note 1 : The Intra group company loans are generally in the nature of revolving demand loans. Loan given/taken to/from parties, credited / debited for equity segment and margin money placed/refund received with/from related parties are disclosed based on the maximum incremental amount given/taken and placed/refund during the reporting period.

Note 2 : Edel Commodities Limited and EFSL Trading Limited was merged into EFSL Comtrade Limited vide Order of National Company Law Tribunal at Hyderabad. Further With effect from the Appointed Date i.e. 01 August 2018, EFSL Comtrade Limited, Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, Edelweiss Capital Markets Limited and Edelweiss Fund Advisors Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd). Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged are considered to be transacted with Edelweiss Rural & Corporate Services Limited and disclosed accordingly.

Note 3 : Edelweiss Multi Strategy Private Limited have been merged into Edelweiss Asset Management 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 Asset Management Limited and disclosed accordingly.

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 included herein is on cash basis.



Edelweiss Custodial Services Limited

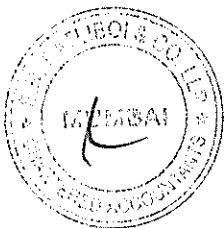
Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.38 Disclosure as required by Indian Accounting Standard 24 - "Related Party Disclosure" : (Continued)

(ii) Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	31 March 2019	31 March 2018
Capital account transactions				
1	Short term loans taken from (refer note 1)	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	1,354.29	3,338.54
2	Short term loans repaid to (refer note 1)	Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	1,655.28	3,448.99
Current account transactions				
3	Margin received from (refer note 1)	Edelweiss Securities Trading and Management Private Limited (Formerly Dahlia Commodities Services Private Limited)	524.64	124.43
		EC Commodity Limited	-	505.33
		ECap Equities Limited	6,395.61	2,996.96
		ECL Finance Limited	3,259.46	236.07
		Edel Investments Limited	3,943.36	145.93
		Edelcap Securities Limited	4,656.16	6,218.20
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) (refer note 2)	1,631.85	1,106.45
		Edelweiss Finance & Investments Limited	3.22	51.92
		Edelweiss Financial Services Limited	55.92	6.51
		Edelweiss Finvest Private Limited	690.03	11.07
		Edelweiss Global Wealth Management Limited	357.66	-
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	132.87	135.96
		Edelweiss Multi Strategy Fund Advisors LLP	-	0.96
		Edelweiss Securities And Investments Private Limited (Formerly Magnolia Commodities Services Private Limited)	946.26	1,010.39
		Edelweiss Broking Limited	3,495.62	3,377.75
		Edel Land Limited	1.91	297.75
		Edelweiss Investment Adviser Limited	3,243.88	758.51
		Edelweiss Securities Limited	349.92	397.67
		Edelweiss Comtrade Limited	431.56	-
4	Margin repaid to (refer note 1)	Edelweiss Securities Trading and Management Private Limited (Formerly Dahlia Commodities Services Private Limited)	559.68	130.27
		EC Commodity Limited	466.90	-
		ECap Equities Limited	5,256.12	1,944.72
		ECL Finance Limited	1,883.67	747.43
		Edel Investments Limited	3,945.08	120.28
		Edelcap Securities Limited	3,622.23	5,940.65
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited) (refer note 2)	2,005.24	1,317.14
		Edelweiss Finance & Investments Limited	24.93	57.31
		Edelweiss Financial Services Limited	0.01	12.18
		Edelweiss Finvest Private Limited	37.74	277.61
		Edelweiss Global Wealth Management Limited	357.66	2.38
		Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)	110.10	100.97
		Edelweiss Multi Strategy Fund Advisors LLP	-	85.85
		Edelweiss Securities And Investments Private Limited (Formerly Magnolia Commodities Services Private Limited)	1,974.24	-
		Edelweiss Broking Limited	5,290.45	3,104.89



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

Financials as at March 31, 2019

2.39 Fair Values of Financial Instruments

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

Particulars	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Total stock-in-trade	-	-	-	-
Investments				
Total investments measured at fair value	-	-	-	-
Total financial assets measured at fair value on a recurring basis	-	-	-	-

Particulars	March 31, 2019			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Total derivative financial instruments (liabilities)	-	-	-	-
Financial liabilities designated at fair value through profit or loss				
Total financial liabilities designated at FVTPL	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-

Particulars	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Total stock-in-trade	-	-	-	-
Investments				
Mutual fund units	300.00	-	-	300.00
Total investments measured at fair value	300.00	-	-	300.00
Total financial assets measured at fair value on a recurring basis	300.00	-	-	300.00

Particulars	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Total derivative financial instruments (liabilities)	-	-	-	-
Financial liabilities designated at fair value through profit or loss				
Total financial liabilities designated at FVTPL	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-

Particulars	April 01, 2017 (i.e. March 31, 2017)			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Total stock-in-trade	-	-	-	-
Investments				
Total investments measured at fair value	-	-	-	-
Total financial assets measured at fair value on a recurring basis	-	-	-	-

Particulars	April 01, 2017 (i.e. March 31, 2017)			
	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis				
Total derivative financial instruments (liabilities)	-	-	-	-
Financial liabilities designated at fair value through profit or loss				
Total financial liabilities designated at FVTPL	-	-	-	-
Preference shares FV - Group co.				
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.40 Foreign currency

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

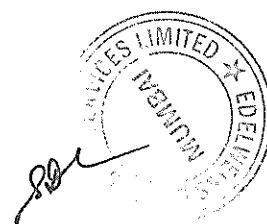
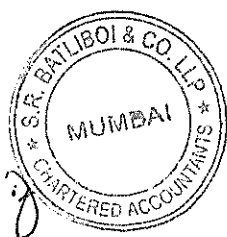
	For the year ended 31 March 2019	For the year ended 31 March 2018
Expenditure incurred in foreign currency (on accrual basis)		
Software maintenance expenses	0.94	1.32
Legal and professional fees	28.98	-
Advertisement and business promotion expenses	0.65	-
Communication expenses	0.30	-
Total	30.87	1.32
Income earned in foreign currency (on accrual basis)		
Custody fee income	15.66	11.27
Total	15.66	11.27

2.41 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, space occupied, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads in note 2.30 include reimbursements paid based on the management's best estimate.

2.42 Employee stock option plans

The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans in force. Based on such ESOP scheme, 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 / agreement, 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 Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.43 Risk Management framework:-

a) Regulatory controls

Introduction and risk profile

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

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

Risk Management Structure

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

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

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

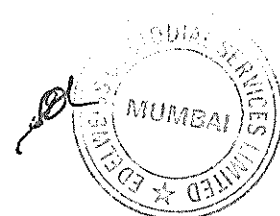
Risk mitigation and risk culture

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

a) Approach to capital management

The primary objectives of the Company's capital management policy are to ensure that it complies with externally imposed capital requirements (as detailed below) whilst maximising value to investors.

Company complies with the rules laid down by the regulator and the Exchanges. The net-worth as defined by L.C. Gupta Committee is maintained at all point in time to ensure shareholder's interest is protected.



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.43 Risk Management framework:- (Continued)

Risk mitigation and risk culture (Continued)

b) Approach to capital management

The primary objectives of the Company's capital management policy are to ensure that the Group complies with externally imposed capital requirements.

The Company is regulated by Securities and Exchange Board of India ("SEBI") and various Exchanges. It complies with the rules laid down by the regulator and the Exchanges. The net-worth as defined by L.C. Gupta Committee is maintained at all point in time to ensure shareholder's interest is protected.

Particulars	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
Share holders fund + Reserve – Intangible assets (net-worth)	959.36	980.93	853.30
L.C. Gupta Net-worth	246.00	206.78	175.64

2.44 Credit risk

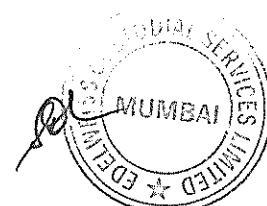
Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables. Company has no significant concentration of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

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

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

Reconciliation of impairment allowance on trade receivables:

Impairment allowance measured as per simplified approach	Amount
Impairment allowance as on 1 April 2017	-
Addition/ (Reduction) during the year	-
Impairment allowance as on 31 March 2018	-
Addition/ (Reduction) during the year	0.10
Impairment allowance as on 31 March 2019	0.10



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.44 Credit risk (Continued)

Trade Receivables Aging and Expected Credit loss (ECL):

Year ended	Days past due	Current	1-90 days	91-180 days	181- 360 days	more than 360 days	Total
31-Mar-19	ECL rate	0%	0%	0%	0%	100%	0.02%
	Gross	407.23	12.85	0.36	0.85	0.10	426.42
	ECL	-	-	-	-	(0.10)	(0.10)
	Net	407.23	12.85	0.36	0.85	-	426.33
31-Mar-18	Gross	535.21	3.19	1.15	0.22	-	539.76
	ECL (Refer Note)	-	-	-	-	-	-
	Net	535.21	3.19	1.15	0.22	-	539.76
01-Apr-17	Gross	32.02	0.81	0.26	0.04	-	33.13
	ECL (Refer Note)	-	-	-	-	-	-
	Net	32.02	0.81	0.26	0.04	-	33.13

Note: While calibrating matrix, the Company has never experienced any historical credit loss on receivables within the Group entities. Company has adequate collateral against these receivables, hence, these receivables does not have any credit risk, thus no credit loss.

Market risks

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

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

The Company's exposure to price risk arises from investments held in Mutual fund units, which are classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from such investments, the Company diversifies its portfolio.

Refer note 2.46 on industry analysis – risk concentration

Refer note 2.47 on collateral held and other credit enhancement

Refer note 2.48 on total market risk exposure

Refer note 2.49 on market risk

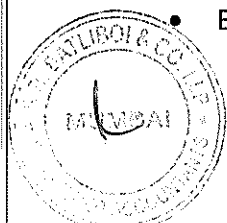
Liquidity Risk:

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

Liquidity Risk:

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements *(continued)*

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.44 Credit risk *(Continued)*

Liquidity Risk: *(Continued)*

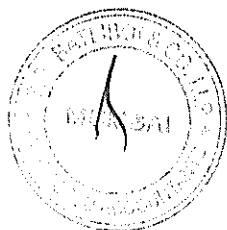
Refer note 2.50 on contractual maturity analysis of assets and liabilities.

Refer note 2.51 on liquidity reserve

Refer note 2.52 on financial assets to support future funding

2.45 Provident Fund

The Supreme Court has recently, delivered its ruling on the composition of basic wages for the purposes of deduction and contribution to the Employees Provident and Pension funds. The Company, in the interest of its employees, awaits clarity on the complexities revolving around the application of the said order, the ambiguity reflected by the divergent views of legal experts and the response/direction from the authorities, including on representations made by an industry association in this regard.



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.46 Analysis of risk concentration

Industry analysis - Risk concentration for March 31, 2019

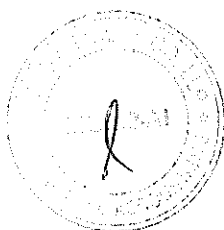
Particulars	Financial services	Total
Financial assets		
Cash and cash equivalent and other bank balances	26,426.40	26,426.40
Other financial assets	70.06	70.06
Trade and other receivables	426.33	426.33
	26,922.79	26,922.79
Other Commitments	-	-
Total	26,922.79	26,922.79

Industry analysis - Risk concentration for March 31, 2018

Particulars	Financial services	Total
Financial assets		
Cash and cash equivalent and other bank balances	17,495.79	17,495.79
Investments at amortised cost	300.00	300.00
Other financial assets	558.47	558.47
Trade and other receivables	539.76	539.76
	18,894.02	18,894.02
Other Commitments	-	-
Total	18,894.02	18,894.02

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

Particulars	Financial services	Total
Financial assets		
Cash and cash equivalent and other bank balances	9,914.88	9,914.88
Other financial assets	168.44	168.44
Trade and other receivables	33.13	33.13
	10,116.45	10,116.45
Other Commitments	-	-
Total	10,116.45	10,116.45



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

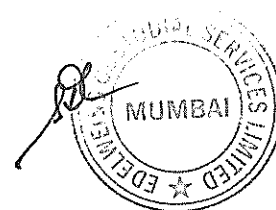
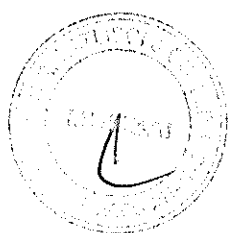
2.47 Collateral held and other credit enhancements

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

March 31, 2019	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans	0.74	
Trade receivables	426.42	Equity shares, Fixed deposit and Bank guarantees
Other financial assets	69.33	Equity shares
Total financial assets at amortised cost	496.49	
Total financial instruments at fair value through profit or loss	-	
Total debt instruments at fair value through OCI	-	
	496.49	
Other commitments (max exposure)	-	
Total	496.49	

March 31, 2018	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans	0.98	
Trade receivables	539.76	Equity shares, Fixed deposit and Bank guarantees
Other financial assets	557.49	Equity shares
Total financial assets at amortised cost	1,098.23	
Total financial instruments at fair value through profit or loss	-	
Total debt instruments at fair value through OCI	-	
	1,098.23	
Other commitments (max exposure)	-	
Total	1,098.23	

April 01, 2017	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans	1.11	
Trade receivables	33.13	Equity shares, Fixed deposit and Bank guarantees
Other financial assets	167.34	Equity shares
Total financial assets at amortised cost	201.57	
Total financial instruments at fair value through profit or loss	-	
Total debt instruments at fair value through OCI	-	
	201.57	
Other commitments (max exposure)	-	
Total	201.57	



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.48 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 Group classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed and monitored using other sensitivity analyses.

Particulars	March 31, 2019			March 31, 2018			April 01, 2017 (i.e. March 31, 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	26,426.40	-	26,426.40	17,495.79	-	17,495.79	9,914.88	-	9,914.88
Trade receivables	426.33	-	426.33	539.76	-	539.76	33.13	-	33.13
Financial investments- Amortised cost - Group co.	628.94	-	628.94	628.94	-	628.94	628.94	-	628.94
Financial investments- Amortised cost	-	-	-	300.00	-	300.00	-	-	-
Other financial assets	70.06	-	70.06	558.47	-	558.47	168.44	-	168.44
Total	27,551.74	-	27,551.74	19,522.96	-	19,522.96	10,745.40	-	10,745.40
Liability									
Borrowings (other than Debt Securities)	4.16	-	4.16	306.47	-	306.47	423.49	-	423.49
Trade payables	416.43	-	416.43	62.04	-	62.04	4.23	-	4.23
Other liabilities	26,146.98	-	26,146.98	18,132.76	-	18,132.76	9,501.02	-	9,501.02
Total	26,567.57	-	26,567.57	18,501.27	-	18,501.27	9,928.74	-	9,928.74



R

Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

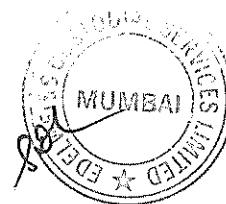
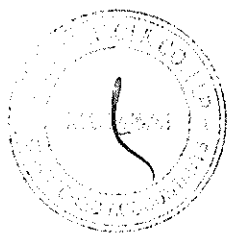
2.49 Market risk

(i) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of market prices other than equity and index prices.

Impact on	2018-19					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Mutual Fund	5	-	-	5	-	-

Impact on	2017-18					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Mutual Fund	5	1.50	-	5	(1.50)	-



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

A.

2.50 Analysis of non-derivative financial liabilities by remaining contractual maturities

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

As at March 31, 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 1 months	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	415.33	-	-	1.10	-	-	-	-	-	-	416.43
Borrowings (other than debt securities)	4.16	-	-	-	-	-	-	-	-	-	-	4.16
Other financial liabilities	26,077.53	34.35	-	-	35.10	-	-	-	-	-	-	26,146.98
Total undiscounted non-derivative financial liabilities	26,081.69	449.68	-	-	36.20	-	-	-	-	-	-	26,567.57

As at March 31, 2018	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	61.30	-	-	0.75	-	-	-	-	-	62.04
Borrowings (other than debt securities)	306.47	-	-	-	-	-	-	-	-	-	306.47
Other financial liabilities	18,054.79	10.37	-	-	67.60	-	-	-	-	-	18,132.76
Total undiscounted non-derivative financial liabilities	18,361.26	71.67	-	-	68.35	-	-	-	-	-	18,501.27

As at April 01, 2017 (i.e. March 31, 2017)	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	4.02	-	-	0.21	-	-	-	-	-	4.23
Borrowings (other than debt securities)	423.49	-	-	-	-	-	-	-	-	-	423.49
Other financial liabilities	9,451.82	0.30	-	-	48.90	-	-	-	-	-	9,501.02
Total undiscounted non-derivative financial liabilities	9,875.32	4.32	-	-	49.11	-	-	-	-	-	9,928.74

B.

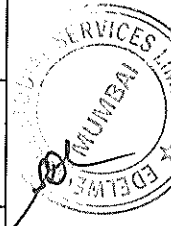
2.50 Analysis of non-derivative financial liabilities by remaining contractual maturities

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

As at March 31, 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	26,426.40	-	-	-	-	-	-	-	-	-	26,426.40
Trade receivables	426.33	-	-	-	-	-	-	-	-	-	426.33
Other financial assets	21.40	6.02	-	-	-	-	0.74	41.91	-	-	70.06
Total	26,874.13	6.02	-	-	-	-	0.74	41.91	-	-	26,922.79

As at March 31, 2018	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	17,495.79	-	-	-	-	-	-	-	-	-	17,495.79
Trade receivables	539.76	-	-	-	-	-	-	-	-	-	539.76
Investments at amortised cost	300.00	-	-	-	-	-	-	-	-	-	300.00
Other financial assets	20.90	519.29	-	-	-	-	0.98	17.30	-	-	558.47
Total	18,356.45	519.29	-	-	-	-	0.98	17.30	-	-	18,894.02

As at April 01, 2017 (i.e. March 31, 2017)	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	9,914.88	-	-	-	-	-	-	-	-	-	9,914.88
Trade receivables	33.13	-	-	-	-	-	-	-	-	-	33.13
Other financial assets	25.90	125.34	-	-	-	-	1.11	16.10	-	-	168.44
Total	9,973.91	125.34	-	-	-	-	1.11	16.10	-	-	10,116.45



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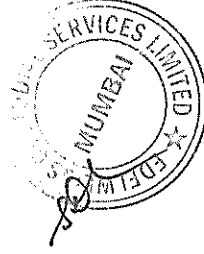
Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.51 Liquidity

	March 31, 2019		March 31, 2018		April 01, 2017 (i.e. March 31, 2017)	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Cash and cash equivalent	10,252.30	10,252.30	10,216.23	10,216.23	5,363.87	5,363.87
Bank Balance	16,174.11	16,174.11	7,279.56	7,279.56	4,551.01	4,551.01
Total Liquidity	26,426.40	26,426.40	17,495.79	17,495.79	9,914.88	9,914.88



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.52 Financial assets available to support future funding

Following table sets out availability of company's financial assets to support funding

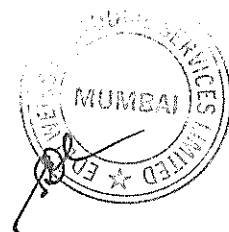
March 31, 2019	Pledge as collateral	Contractually/ legally restricted assets ¹	Available as collateral	others ²	Total carrying amount
Cash and cash equivalent including bank balance	8,251.88	-	18,174.53	-	26,426.40
Trade receivables	-	-	426.33	-	426.33
Receivable from Exchange	-	6.02	-	-	6.02
loans & advances	0.74	-	-	-	0.74
Deposits	58.21	-	-	-	58.21
Investments at cost - Group co.	-	-	628.94	-	628.94
Tax	-	52.70	-	-	52.70
Fixed assets - Tangible	-	-	14.27	-	14.27
Fixed assets - Intangible	-	-	41.57	-	41.57
Capital work in progress	-	-	24.53	-	24.53
Other non financial assets	-	-	59.72	-	59.72
Total assets	8,310.82	58.71	19,369.89	-	27,739.42

March 31, 2018	Pledge as collateral	Contractually/ legally restricted assets ¹	Available as collateral	others ²	Total carrying amount
Cash and cash equivalent including bank balance	7,210.89	-	10,284.90	-	17,495.79
Trade receivables	-	-	539.76	-	539.76
Receivable from Exchange	-	519.29	-	-	519.29
loans & advances	0.98	-	-	-	0.98
Deposits	38.20	-	-	-	38.20
Investments at cost - Group co.	-	-	-	-	-
Investments	-	-	928.94	-	928.94
Tax	-	48.26	-	-	48.26
Fixed assets - Tangible	-	-	5.41	-	5.41
Fixed assets - Intangible	-	-	16.91	-	16.91
Capital work in progress	-	-	0.70	-	0.70
Other non financial assets	-	-	52.60	-	52.60
Total assets	7,250.06	567.55	11,829.23	-	19,646.85

April 01, 2017 (i.e. March 31, 2017)	Pledge as collateral	Contractually/ legally restricted assets ¹	Available as collateral	others ²	Total carrying amount
Cash and cash equivalent including bank balance	4,556.00	-	5,358.88	-	9,914.88
Trade receivables	-	-	33.13	-	33.13
Receivables	-	125.34	-	-	125.34
loans & advances	1.11	-	-	-	1.11
Deposits	42.00	-	-	-	42.00
Investments at cost - Group co.	-	-	-	-	-
Investments	-	-	628.94	-	628.94
Tax	-	-	33.98	-	33.98
Fixed assets - Tangible	-	-	2.15	-	2.15
Fixed assets - Intangible	-	-	14.27	-	14.27
Capital work in progress	-	-	-	-	-
Other non financial assets	-	-	50.41	-	50.41
Total assets	4,599.11	125.34	6,121.76	-	10,846.20

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.53 Revenue from contract with customers

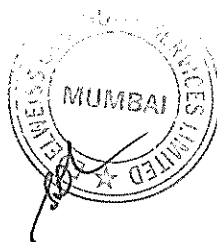
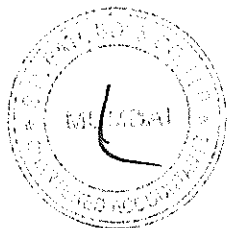
Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

For the year ended 31 March 2019

Particulars	Fees and commission income
Service transferred at a point in time	34.90
Service transferred over time	277.93
Total revenue from contract with customers	312.83

For the year ended 31 March 2018

Particulars	Fees and commission income
Service transferred at a point in time	13.48
Service transferred over time	506.44
Total revenue from contract with customers	519.92



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.54 First-time adoption

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2019, together with the comparative period data as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018

Exemptions applied

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

De-recognition of financial assets and liabilities:

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

Impairment of financial assets:

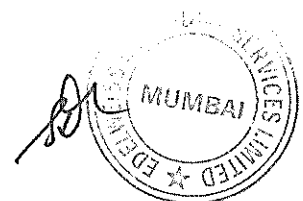
The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially 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

Past business combinations:

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

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 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.54 First-time adoption (continued)

Share based Payments:

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

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.

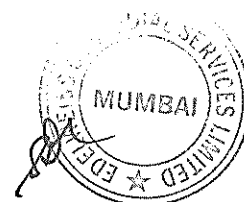
Classification and measurement of financial assets:

The Company has classified and measured the financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS.

The reconciliations of equity and total Comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

Reconciliation of Equity as at:

Particulars	As at March 31, 2018	As at April 01, 2017
Net worth as reported under Indian GAAP	999.56	868.06
Ind AS adjustments increasing / (decreasing) equity as reported under Indian GAAP:		
Expected credit loss allowance on trade receivables	0.20	-
Tax adjustment on above items	9.89	19.99
Total effect of transition to Ind AS	10.09	19.99
Equity as per Ind AS	1009.65	888.05



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.54 First-time adoption (continued)

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

Particulars	For the year ended 31 March 2018
Net profit after tax as reported under Indian GAAP	493.59
Ind AS adjustments increasing / (decreasing) net profit as reported under Indian GAAP:	
Expected credit loss allowance on trade receivables	0.20
ESOP cost	(1.87)
Remeasurement of defined benefit plans (actuarial gains / losses)	0.03
Tax adjustment on above items	0.01
Total effect of transition to Ind AS	(1.63)
Profit as per Ind AS (after tax)	491.96
Other Comprehensive income for the year (net of tax) - Items that will NOT be reclassified to profit or loss	(0.04)
Total comprehensive income as per Ind AS	491.92

Reference notes to reconciliation of Equity and profit & Loss

Remeasurements of post-employment benefit obligations

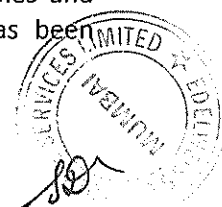
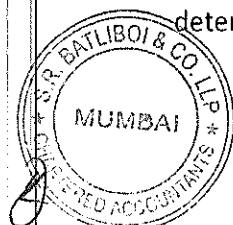
Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains 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. Thus the employee benefit cost is reduced by ₹ 0.04 million and Remeasurement gains/ losses on defined benefit plans has been recognised in the OCI net of tax.

Share Based Payment

Under the previous GAAP, the cost of ESOPs were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

Trade receivables /Loans:

Under Previous GAAP the Company has created provision for impairment of receivables and Loans based on incurred losses where as under Ind AS, Impairment allowance has been determined based on Expected credit loss model (ECL).



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.54 First-time adoption (continued)

Effective Interest Rate (EIR)

Under previous GAAP, Loan Processing fees charged to customer was recognised upfront in Statement of profit and loss while under Ind AS, such fees are included in initial recognition amount of financial assets.

Under previous GAAP, transaction cost on borrowings were charged to Statement of profit and loss upfront while under Ind AS, such cost are included in initial recognition amount of financial liability and is amortised over the tenure of the borrowings.

Deferred Tax

Indian GAAP requires deferred tax accounting using the statement of profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP

Valuation of Investments/Securities held for trading:

Under Previous GAAP Investments in Shares, Debentures, Mutual fund units, Govt Securities and securities receipts were classified in Current Investment, Securities held for trading and long term investment based on intent of holding period and realisability Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments and Stock in trade were carried at lower of cost and market value. Under Ind AS, these investments, other than investments in Preference shares, are measured at fair value. The investment in Preference shares is measured at amortised cost.

2.55 Details of dues to micro and small enterprises

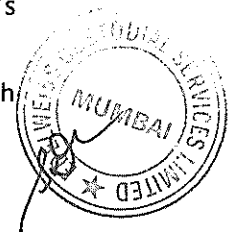
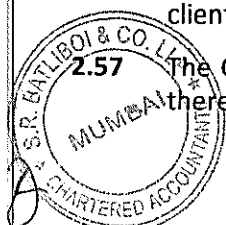
Trade Payables includes ₹ Nil (Previous year: ₹ Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the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

2.56 Margin received from clients

Particulars	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Cash margin	25,948.18	18,030.91	9,444.49
Non-cash margin			
- Securities*	40,284.54	39,467.51	26,303.43
- Fixed deposits	12,957.80	10,882.43	12,957.80
- Bank guarantees	3,030.90	1,949.40	3,030.90
Total non-cash margin	56,273.24	52,299.34	42,292.13
Total margin received	82,221.42	70,330.25	51,736.62

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

(Currency: Indian rupees in millions)

2.58 Corporate Social Responsibility (CSR)

Particulars	As at March 31, 2019	As at March 31, 2018
Gross Amount required to be spent by the Company as per the provisions of Section 135 of Companies Act 2013.	5.55	0.64
Amount Spent (paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	2.50	0.10
Amount Spent (yet to be paid in cash)		
i) Construction/ acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
	2.50	0.10
Amount paid to EdelGive Foundation (refer note 2.38 related party disclosure)	2.50	0.10
	2.50	0.10

2.59 Previous year comparatives

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

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

For S. R. Batliboi & Co. LLP

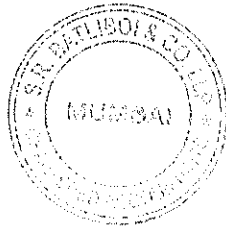
Chartered Accountants

ICAI Firms Registration Number: 301003E/E300005

Shrawan Jalan

Partner

Membership No:102102



For and on behalf of the Board of Directors

K. B. Agarwal
Kanhaiyalal Agarwal

Director

DIN :08185700

Dipesh Shah

Director

Director

DIN :07447551

Pooja Doshi
Pooja Doshi
Company Secretary

Mumbai

May 10, 2019

Mumbai

May 10, 2019

