

Independent Auditors' Report

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

Opinion

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

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

Basis for Opinion

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

Other Information

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

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

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



Management's Responsibilities for the Ind AS Financial Statements

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

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

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

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

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

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

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



financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Other Matter

The comparative Ind AS financial statements of the Company for the year ended March 31, 2018 and the transition date opening balance sheet as at April 1, 2017, included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements' prepared in accordance with the Companies (Accounting Standards) Rules 2006, have been audited by predecessor auditor, whose report for the year ended March 31, 2018 and March 31, 2017 dated April 25, 2018 and May 9, 2017 respectively expressed an unmodified opinion on those 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion and according to the information and explanation given to us, no remuneration has been paid by the Company to its directors during the current year;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- the Company does not have any pending litigations which would impact its financial position;
 - the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: May 10, 2019

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Investment Adviser Limited ('the Company') on the financial statements for the year ended March 31, 2019, we report that:

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

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

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



- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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



R. P. Soni
Partner
Membership No.:104796



Place: Mumbai
Date: May 10, 2019

Annexure B to the Auditors' Report

Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Investment Adviser Limited ("the Company")

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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



R. P. Soni
Partner
Membership No.: 104796



Place: Mumbai
Date: May 10, 2019

Edelweiss Investment Adviser Limited

Balance Sheet

(Currency: ₹ in '000)

	Note	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
ASSETS				
Non-current assets				
(a) Property, plant and equipment	8	4,935.07	2,207.43	872.44
(b) Investment property	9	2,508,734.35	1,147,316.25	1,320,619.64
(c) Other Intangible assets	10	131.10	99.46	5,516.20
(d) Intangible assets under development		-	-	88.90
(e) Financial Assets				
(i) Investments	11	-	2.29	-
(ii) Loans	12	6,103,168.70	3,523,839.43	2,133,479.90
(f) Current tax assets (net)	13	22,854.74	22,541.14	20,244.53
(g) Deferred tax assets (net)	14	444,943.54	520,916.76	464,316.34
(h) Other non-current assets	15	7,244.12	1,182.67	1,641.29
		9,092,011.62	5,218,105.43	3,946,779.24
Current assets				
(a) Financial Assets				
(i) Trade receivables	16	10,125.70	16,476.23	54,152.10
(ii) Cash and cash equivalents	17	2,461.28	3,987.49	25,482.40
(iii) Other financial assets	18	981,567.84	93,610.64	-
(b) Current tax assets (net)	19	6,032.52	5,627.74	3,256.22
		1,000,187.34	119,702.10	82,890.72
		10,092,198.96	5,337,807.53	4,029,669.96
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	20	5,500.00	5,500.00	500.00
(b) Other equity	21	(573,052.96)	(865,856.46)	(773,758.80)
		(567,552.96)	(860,356.46)	(773,258.80)
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
Borrowings	22	-	-	287,540.85
(b) Provisions	23	5,027.45	5,258.00	1,948.00
(c) Current tax liabilities (net)	24	92,569.66	-	-
		97,597.11	5,258.00	289,488.85
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	25	10,514,718.27	6,124,255.66	4,449,431.52
(ii) Trade payables				
total outstanding dues of micro enterprises and small enterprises	42			
total outstanding dues of creditors other than micro enterprises and small enterprises	26	21,700.89	13,278.40	3,636.14
(iii) Other financial liabilities	27	10,095.57	23,618.74	8,329.94
(b) Other current liabilities	28	14,385.08	30,482.19	51,612.31
(c) Provisions	29	1,255.00	1,271.00	430.00
		10,562,154.81	6,192,905.99	4,513,439.91
		10,092,198.96	5,337,807.53	4,029,669.96

Significant accounting policies and notes forming part of the financial statements.

1 to 64

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

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W



R.P. Soni

Partner

Membership No: 104796



Mumbai

10 May 2019

For and on behalf of the Board of Directors



Sanjeev Rastogi

Director

DIN: 00254303



Jitendra Shah

Director

DIN: 08191547

Mumbai

10 May 2019

Edelweiss Investment Adviser Limited

Statement of Profit and Loss

(Currency: ₹ in '000)

	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Interest income	30	135,599.17	115,616.13
Fee and commission income	31	165,870.00	55,375.98
Net gain on fair value changes	32	1,342,381.95	659,460.05
Total revenue from operations		1,643,851.12	830,452.16
Other income	33	1,675.51	548.16
Total income		1,645,526.63	831,000.32
Expenses			
Finance costs	34	833,488.80	576,152.08
Impairment on financial instruments	35	87,025.21	86,515.06
Employee benefits expense	36	127,603.02	130,130.87
Depreciation, amortisation and impairment	8&10	3,315.50	6,483.98
Other expenses	37	131,323.22	76,072.32
Total expenses		1,182,755.75	875,354.31
Profit/(loss) before tax		462,770.88	(44,353.99)
Tax expenses:	38		
Current tax		102,415.08	295.96
Deferred tax		75,926.92	(56,540.17)
Profit for the year		284,428.88	11,890.22
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans (OCI)		159.00	(208.00)
Tax effect on remeasurement gain / (loss) on defined benefit plans (OCI)		(46.30)	60.57
Other comprehensive income		112.70	(147.43)
Total comprehensive income		284,541.58	11,742.79
Earnings per equity share : (Face value of ₹ 10 each) :	41		
Basic (in ₹)		517.14	219.74
Diluted (in ₹)		517.14	219.74

Significant accounting policies and notes forming part of the financial statements. 1 to 64

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

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



R.P. Soni
Partner
Membership No: 104796



Mumbai
10 May 2019

For and on behalf of the Board of Directors



Sanjeev Rastogi
Director
DIN: 00254303



Jitendra Shah
Director
DIN: 08191547

Mumbai
10 May 2019

Edelweiss Investment Adviser Limited
Statement of Changes in Equity
(Currency: ₹ in '000)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
(A) Equity share capital			
Balance at the beginning of the year	5,500	500	500
Changes in equity share capital (refer note 20)	-	5,000	-
Balance at the end of the year	5,500	5,500	500

(B) Other Equity

Particulars	Reserves and surplus			Total
	Securities premium	ESOP reserve	Retained earnings	
Balance as at 01 April 2017 (Indian GAAP)	420,750.00	-	(415,112.11)	5,637.89
Ind AS adjustments	(420,750.00)	2,874.59	(361,521.28)	(779,396.69)
Profit for the year	-	-	11,890.22	11,890.22
Other comprehensive income	-	-	(147.43)	(147.43)
ESOP charge	-	(1,189.30)	-	(1,189.30)
Transactions with shareholders in their capacity as such	-	-	(102,651.15)	(102,651.15)
Balance as at 31 March 2018 (Ind AS)	-	1,685.29	(867,541.75)	(865,856.46)
Profit for the year	-	-	284,428.88	284,428.88
Other comprehensive income	-	-	112.70	112.70
Transactions with shareholders in their capacity as such	-	-	8,261.92	8,261.92
Balance as at 31 March 2019 (Ind AS)	-	1,685.29	(574,738.25)	(573,052.96)

Note:

1) Securities premium:

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

2) ESOP reserve:

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

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

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W



R.P. Soni
Partner
Membership No: 104796



Mumbai
10 May 2019

For and on behalf of the Board of Directors



Sanjeev Rastogi
Director
DIN: 00254303

Mumbai
10 May 2019



Jitendra Shah
Director
DIN: 08191547

Edelweiss Investment Adviser Limited
Cash Flow Statement
(Currency: ₹ in '000)

	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities		
Profit / (loss) before taxation	462,770.88	(44,353.99)
Adjustments for		
Depreciation, amortization and impairment expenses	3,315.50	6,483.99
Impairment on financial instruments	87,025.21	86,515.05
Fair value gain on revaluation of real estate	(1,115,437.20)	(436,400.85)
Share of loss/(profit) from partnership firm	2.67	(2.28)
Loss/(profit) on sale of fixed assets	(15.22)	21.74
Interest expense	812,810.05	571,639.67
Operating cash flow before working capital changes	<u>250,471.89</u>	<u>183,903.33</u>
Add / (less) : Adjustments for working capital changes		
Increase in trade payables	8,422.48	9,642.25
Increase in trade receivables	(80,674.68)	(48,839.18)
Increase in loans and advances	(1,455,401.81)	(953,958.68)
Increase in other current assets	(894,034.11)	(94,533.56)
Decrease in liabilities and provisions	(29,851.36)	(1,705.78)
Cash used in operations	<u>(2,201,067.59)</u>	<u>(905,491.62)</u>
Income taxes paid	(10,563.80)	(4,964.08)
Net cash used in operating activities - A	<u>(2,211,631.39)</u>	<u>(910,455.70)</u>
B Cash flow from investing activities		
(Addition)/disposal of investment property	(1,361,418.10)	173,303.39
Purchase of fixed assets	(14,796.98)	(2,782.79)
Proceeds on sale of fixed assets	8,667.70	447.73
Net cash (used in)/ generated from investing activities - B	<u>(1,367,547.38)</u>	<u>170,968.33</u>
C Cash flow from financing activities		
Redemption of preference share capital including premium	-	(425,000.00)
Proceeds from issue of share capital	-	5,000.00
Proceeds from unsecured loan (refer below)	4,129,906.57	1,789,406.64
Interest paid	(552,254.01)	(651,414.18)
Net cash generated from financing activities - C	<u>3,577,652.56</u>	<u>717,992.46</u>
Net decrease in cash and cash equivalents (A+B+C)	<u>(1,526.21)</u>	<u>(21,494.91)</u>
Cash and cash equivalent as at the beginning of the year	3,987.49	25,482.40
Cash and cash equivalent as at the end of the year (refer note 17)	2,461.28	3,987.49

Note:

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

This is the Cash flow statement referred to in our report of even date

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



R.P. Soni
Partner
Membership No: 104796



Mumbai
10 May 2019

For and on behalf of the Board of Directors



Sanjeev Rastogi
Director
DIN: 00254303



Jitendra Shah
Director
DIN: 08191547

Mumbai
10 May 2019

Edelweiss Investment Adviser Limited

Notes to the financial statements

For the year ended 31 March 2019

1. Background

Edelweiss Investment Advisors Limited ('the Company') was incorporated in India on 30 May 2008. The Company is a 100% subsidiary of Edelweiss Financial Services Limited. The Company is undertaking and carrying on the business and activities of real estate and investments in real estate.

2. Basis of preparation of financial statements

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

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). These financial statements for the year ended 31 March 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 61 for information on how the Company adopted Ind AS for opening balance sheet.

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

3. Presentation of financial statements

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

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

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

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

Assets

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

Liabilities

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

4. Signification accounting policies

4.1 Revenue recognition

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

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

4.2 Financial Instruments

4.2.1 Date of recognition

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

4.2.2 Initial measurement of financial instruments

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

4.2.3 Day 1 profit or loss

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

4.3 Classification of financial instruments

4.3.1 Financial assets:

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

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

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

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

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

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

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

4.3.1.1 Amortized cost and Effective interest method (EIR)

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

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

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

4.3.1.2 Financial assets held for trading

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

4.3.2 Financial liabilities

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

4.3.2.1 Debt securities and other borrowed funds

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

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

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a company 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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

- 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.

4.3.2.3 Financial liabilities and equity instruments

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

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

4.3.2.4 Derivatives

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

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

4.4 Reclassification of financial assets and financial liabilities

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

4.5 Derecognition of financial assets and financial liabilities

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

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

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.

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

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

A transfer 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.

4.5.2 Derecognition of financial liabilities

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

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

4.6 Impairment of financial assets

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

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



Edelweiss Investment Adviser Limited

Notes to the financial statements *(continued)*

For the year ended 31 March 2019

- For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.
- Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.
- The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.
- For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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

4.7 Write off

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

4.8 Business model assessment

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

4.9 Determination of fair value

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

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

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

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

- 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,



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

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

4.10 Revenue from contract with customer

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contract and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from the following sources:

- a. Fee income including advisory fees, syndication fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.
- b. Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

4.11 Earnings per share

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

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

4.12 Retirement and other employee benefit

4.12.1 Provident fund and national pension scheme

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

4.12.2 Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method.

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

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

4.12.3 Compensated Absences

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

4.13 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent Company 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 recognized 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 installments over the vesting period, the Company treats each installment as a separate grant, because each installment has a different vesting period, and hence the fair value of each installment differs.

4.14 Property, plant and equipment

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible 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.

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

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Vehicles	8 years
Office Equipment	5 years
Computers - such servers & Networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

4.15 Intangible assets

Intangible 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.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its 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.

4.16 Investment property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs.

Depreciation is recognised using straight line method so as to write off the cost of the investment property less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end



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Notes to the financial statements (continued)

For the year ended 31 March 2019

and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

4.17 Impairment of non-financial assets

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

4.18 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand.

4.19 Provisions and other contingent liabilities

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

4.20 Income tax expenses

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

4.20.1 Current tax

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

4.20.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or

tax planning opportunities are available that will create taxable profit in appropriate periods.

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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

4.20.3 Minimum Alternative Tax (MAT) credit

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

5. Significant accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the Company's accounting policies, management has made the following judgments, 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 in estimating the useful lives of tangible assets reported under property, plant and equipment.



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

6. 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.

(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.

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

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

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

7. Annual Improvements to Ind AS (2018)

(a) Ind AS 12 Income taxes

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

(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



Edelweiss Investment Adviser Limited

Notes to the financial statements (continued)

For the year ended 31 March 2019

benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

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

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

(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.

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



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

8 Property, plant and equipment

Description of assets	Gross block					Accumulated depreciation and impairment					Net block	
	As at 01 April 2018	Additions during the year	Disposals during the year	Other adjustments	As at 31 March 2019	As at 01 April 2018	Impairment losses / (reversals)	Charge for the year	Disposals during the year	Other adjustments		As at 31 March 2019
Motor vehicles	545.90	-	187.81	-	358.09	187.81	-	140.73	-	(187.81)	140.73	217.36
Office equipments	31.93	418.13	-	-	450.06	18.45	-	186.03	-	(18.45)	186.03	264.03
Computers	2,663.09	5,811.12	317.79	-	8,156.42	827.23	-	2,980.34	104.83	-	3,702.74	4,453.68
Total	3,240.92	6,229.25	505.60	-	8,964.57	1,033.49	-	3,307.10	104.83	(206.26)	4,029.50	4,935.07

Property, plant and equipment

Previous year- 2017-2018

Description of assets	Gross block					Accumulated depreciation and impairment					Net block	
	As at 01 April 2017	Additions during the year	Disposals during the year	Other adjustments	As at 31 March 2018	As at 01 April 2017	Impairment losses / (reversals)	Charge for the year	Disposals during the year	Other adjustments		As at 31 March 2018
Motor vehicles	482.73	508.72	445.55	-	545.90	-	-	187.81	-	-	187.81	358.09
Office equipments	53.15	-	21.22	-	31.93	-	-	18.45	-	-	18.45	13.48
Computers	336.56	2,329.22	2.69	-	2,663.09	-	-	827.23	-	-	827.23	1,835.86
Total	872.44	2,837.94	469.46	-	3,240.92	-	-	1,033.49	-	-	1,033.49	2,207.43



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

9 Investment property

Description of assets	Gross block				Accumulated depreciation and impairment				Net block			
	As at 01 April 2018	Additions/ (disposals) during the year	Disposals during the year	Other adjustme nts	As at 31 March 2019	As at 01 April 2018	Impairment losses / (reversals)	Charge for the year		Disposals during the year	Other adjustments	As at 31 March 2019
Property	11,47,316.25	13,61,418.10	-	-	25,08,734.35	-	-	-	-	-	-	25,08,734.35
Total	11,47,316.25	13,61,418.10	-	-	25,08,734.35	-	-	-	-	-	-	25,08,734.35

Investment property

Previous year- 2017-2018

Description of assets	Gross block				Accumulated depreciation and impairment				Net block			
	As at 01 April 2017	Additions/ (disposals) during the year	Disposals during the year	Other adjustme nts	As at 31 March 2018	As at 01 April 2017	Impairment losses / (reversals)	Charge for the year		Disposals during the year	Other adjustments	As at 31 March 2018
Property	13,20,619.64	(1,73,303.39)	-	-	11,47,316.25	-	-	-	-	-	-	11,47,316.25
Total	13,20,619.64	(1,73,303.39)	-	-	11,47,316.25	-	-	-	-	-	-	11,47,316.25

Note : Fair value of the investment property is amounting to ₹ 2,996,000.00 thousand for March 2019, ₹ 1,183,000.00 thousand for March 2018 and ₹ 1,329,000.00 thousand for 01 April 2017.



Edeleweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

10 Other intangible assets

Description of assets	Gross block					Accumulated depreciation and impairment					Net block	
	As at 01 April 2018	Additions during the year	Disposals during the year	Other adjustments	As at 31 March 2019	As at 01 April 2018	Impairment losses / (reversals)	Charge for the year	Disposals during the year	Other adjustments		As at 31 March 2019
Computer software	5,549.95	40.04	-	-	5,589.99	5,450.49	-	8.40	-	-	5,458.89	131.10
Total	5,549.95	40.04	-	-	5,589.99	5,450.49	-	8.40	-	-	5,458.89	131.10

Other intangible assets

Previous year- 2017-2018

Description of assets	Gross block					Accumulated depreciation and impairment					Net block	
	As at 01 April 2017	Additions during the year	Disposals during the year	Other adjustments	As at 31 March 2018	As at 01 April 2017	Impairment losses / (reversals)	Charge for the year	Disposals during the year	Other adjustments		As at 31 March 2018
Computer software	5,516.20	33.75	-	-	5,549.95	-	-	5,450.49	-	-	5,450.49	99.46
Total	5,516.20	33.75	-	-	5,549.95	-	-	5,450.49	-	-	5,450.49	99.46



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
11 Investments			
<i>At amortised cost, in partnership firm</i>			
Investment in Edelweiss Multi Strategy Fund Advisors LLP -			
Current account	-	2.28	-
Capital account	-	0.01	-
Total - Gross	-	2.29	-
Investments outside India	-	-	-
Investments in India	-	2.29	-
Total - Gross	-	2.29	-
Less: Allowance for impairment	-	-	-
Total -Net	-	2.29	-

Note:

Details of partners and their profit sharing ratio

Name of partners	% holding	Capital contribution
Edelweiss Multi Strategy Funds Management Private Limited	99.94	99,940
Vishal Madia	0.01	10
Edelweiss Rural & Corporate Services Limited	0.02	20
Edel Investments Limited	0.01	10
Edelweiss Investment Advisers Limited	0.01	10
Edel Land Limited	0.01	10
Total	100	1,00,000



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
12 Loans			
<i>At fair value through profit and loss</i>			
Capital advances	58,96,815.72	33,66,415.72	21,33,163.78
<i>At amortised cost</i>			
Capital advances	2,06,175.85	1,56,649.05	-
Loans to related parties	-	-	25.30
Loans to employees	177.13	774.66	290.82
	-	-	-
Total Gross	61,03,168.70	35,23,839.43	21,33,479.90
Less: Impairment loss allowance	-	-	-
Total (Net)	61,03,168.70	35,23,839.43	21,33,479.90
Secured by tangible assets (Property including land and building)	61,02,991.57	35,23,064.77	21,33,163.78
unsecured	177.13	774.66	316.12
Total Gross	61,03,168.70	35,23,839.43	21,33,479.90
Less: Impairment loss allowance	-	-	-
Total (Net)	61,03,168.70	35,23,839.43	21,33,479.90
Loans in India			
Public sector	-	-	-
Others	61,03,168.70	35,23,839.43	21,33,479.90
Total Gross	61,03,168.70	35,23,839.43	21,33,479.90
Less: Impairment loss allowance	-	-	-
Total (Net)	61,03,168.70	35,23,839.43	21,33,479.90
13 Current tax assets (net)			
Advance income taxes (net)	22,854.74	22,541.14	20,244.53
	22,854.74	22,541.14	20,244.53
14 Deferred tax assets (net)			
Deferred tax assets			
Provision for expected credit losses	2,625.37	(286.71)	(5,092.45)
Difference between book and tax depreciation (including intangibles)	551.60	1,547.69	-
Unrealised loss on derivatives	1,041.35	-	-
Fair valuation of financial instruments	-	1,36,020.23	2,55,308.95
Disallowances under section 43B of the Income Tax Act, 1961	2,195.34	2,281.49	734.80
MAT credit entitlement	1,37,688.77	35,476.51	27,587.64
Accumulated losses	5,55,861.65	3,45,877.55	1,86,566.28
	6,99,964.08	5,20,916.76	4,65,105.22
Deferred tax liabilities			
Difference between book and tax depreciation (including intangibles)	-	-	788.88
Unrealised gain on derivatives	1,262.40	-	-
Fair valuation of financial instruments	2,53,758.14	-	-
	2,55,020.54	-	788.88
Net deferred tax	4,44,943.54	5,20,916.76	4,64,316.34



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
15 Other non-financial assets			
Input tax credit	-	-	106.35
Other deposits	95.00	95.00	95.00
Prepaid expenses	856.57	86.88	294.01
Vendor advances	6,292.55	983.82	471.85
Advances recoverable in cash or in kind or for value to be received	-	16.97	674.08
	<u>7,244.12</u>	<u>1,182.67</u>	<u>1,641.29</u>
16 Trade receivables <i>(Refer note. 16A)</i>			
Receivables which have significant increase in credit risk	89,713.07	88,452.23	2,268.37
Less : Allowance for expected credit losses	<u>89,713.07</u>	<u>88,452.23</u>	<u>2,268.37</u>
	-	-	-
Receivables considered good - unsecured	10,125.70	16,476.23	54,152.10
Less : Allowance for expected credit losses	-	-	-
	<u>10,125.70</u>	<u>16,476.23</u>	<u>54,152.10</u>
17 Cash and cash equivalents			
Cash on hand	28.30	28.30	0.16
Balances with banks	-	-	-
- in current accounts	2,432.98	3,959.19	25,482.24
	<u>2,461.28</u>	<u>3,987.49</u>	<u>25,482.40</u>
18 Other financial assets			
Accrued interest on margin	1,947.90	563.13	-
Margin placed with brokers	9,79,619.94	93,047.51	-
	<u>9,81,567.84</u>	<u>93,610.64</u>	<u>-</u>
19 Current tax assets (net)			
Advance income taxes (net)	6,032.52	5,627.74	3,256.22
	<u>6,032.52</u>	<u>5,627.74</u>	<u>3,256.22</u>



Edelweiss Investment Adviser Limited
Notes to the financial statements (Continued)
(Currency: ₹ in '000)

16A. Trade receivables (continued)

Particulars	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
Receivables considered good - Unsecured	10,125.70	16,476.23	54,152.10
Receivables - Credit impaired	89,713.07	88,452.23	2,268.37
	99,838.77	1,04,928.46	56,420.47
Less : Allowance for expected credit losses	89,713.07	88,452.23	2,268.37
	10,125.70	16,476.23	54,152.10

Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on 01 April 2017	2,268.37
Add/ (less): asset originated or acquired (net)	86,183.86
Impairment allowance as on 31 March 2018	88,452.23
Add/ (less): asset originated or acquired (net)	1,260.84
Impairment allowance as on 31 March 2019	89,713.07

Provision matrix for trade receivables

	Trade receivables days past due	0-90days	91-180 days	more than 180 days	Total
ECL rate		0%	0%	100%	
As at 31 March 2019	Estimated total gross carrying amount at default	9,578.96	546.74	89,713.07	99,838.77
	ECL - Simplified approach	-	-	89,713.07	89,713.07
	Net carrying amount	9,578.96	546.74	-	10,125.70
As at 31 March 2018	Estimated total gross carrying amount at default	13,060.11	3,416.12	88,452.23	1,04,928.46
	ECL - Simplified approach	-	-	88,452.23	88,452.23
	Net carrying amount	13,060.11	3,416.12	-	16,476.23
As at 01 April 2017	Estimated total gross carrying amount at default	52,714.60	1,437.50	2,268.37	56,420.47
	ECL - Simplified approach	-	-	2,268.37	2,268.37
	Net carrying amount	52,714.60	1,437.50	-	54,152.10



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
20 Equity share capital			
Authorised :			
550,000 (Previous year 550,000) Equity shares of ₹10 each	5,500	5,500	2,500
4,700,000 (Previous year 4,700,000) Preference shares of ₹10 each	47,000	47,000	50,000
	<u>52,500</u>	<u>52,500</u>	<u>52,500</u>
Issued, subscribed and paid up:			
5,50,000 (Previous year 5,50,000) equity shares of ₹10 each, fully paid-up (All the above 5,50,000 (Previous year: 5,50,000) equity shares of ₹ 10 each, fully paid-up shares are held by Edelweiss Financial Services Limited , the holding company and its nominees.)	5,500	5,500	500
	<u>5,500</u>	<u>5,500</u>	<u>500</u>

a. Movement in share capital:

	31 March 2019		31 March 2018		01 April 2017	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	5,50,000	5,500	50,000	500	50,000	500
Shares issued during the year	-	-	5,00,000	5,000	-	-
Outstanding at the end of the year	<u>5,50,000</u>	<u>5,500</u>	<u>5,50,000</u>	<u>5,500</u>	<u>50,000</u>	<u>500</u>

b. Terms/rights attached to equity shares :

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

c. Shares held by holding company

	No of shares	% holding	No of shares	% holding	No of shares	% holding
Edelweiss Financial Services Limited, the holding company and its nominee.	5,50,000	100.00%	5,50,000	100.00%	50,000	100.00%

21 Other equity

Deemed capital contribution - ESOP	1,685.29	2,874.59	-
Add : Additions during the year	-	(1,189.30)	2,874.59
	<u>1,685.29</u>	<u>1,685.29</u>	<u>2,874.59</u>
Retained earnings			
Opening balance	(8,67,541.75)	(7,76,633.39)	(4,15,112.11)
Add: Profit/(loss) for the year	2,84,428.88	11,890.22	-
Add/(less): Other comprehensive income for the year	112.70	(147.43)	-
Add/(less): Transactions with shareholders in their capacity as such	(8,261.92)	1,02,651.15	3,61,521.28
	<u>(5,74,738.25)</u>	<u>(8,67,541.75)</u>	<u>(7,76,633.39)</u>
	<u>(5,73,052.96)</u>	<u>(8,65,856.46)</u>	<u>(7,73,758.80)</u>



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
22 Borrowings			
<i>Subordinated liabilities (At amortised cost)</i>			
Preference shares capital (Preference shares other than those that qualify as Equity)	-	-	2,87,540.85
	-	-	2,87,540.85
Subordinated liabilities in India	-	-	2,87,540.85
Subordinated liabilities outside India	-	-	-
Total	-	-	2,87,540.85
23 Provisions			
Provision for employee benefits			
Gratuity	4,430.77	4,795.00	1,584.00
Compensated absences	596.68	463.00	364.00
	5,027.45	5,258.00	1,948.00
24 Current tax liabilities (net)			
Provision for taxation (net)	92,569.66	-	-
	92,569.66	-	-
25 Borrowings			
<i>At amortised cost</i>			
<i>Unsecured</i>			
Interest accrued and due on borrowings	2,87,514.75	26,958.71	1,41,541.21
Loans from others (repayable on demand)	-	56,60,879.21	-
Loans from related parties (repayable on demand)	1,02,27,203.52	4,36,417.74	43,07,890.31
	1,05,14,718.27	61,24,255.66	44,49,431.52
Borrowings in India	1,05,14,718.27	61,24,255.66	44,49,431.52
Borrowings outside India	-	-	-
Total	1,05,14,718.27	61,24,255.66	44,49,431.52
(At interest rate ranging from 9% to 12.5%)			
26 Trade payables			
Trade payables from non-related parties	19,993.36	5,024.52	3,543.30
Trade payables from related parties	1,707.53	8,253.88	92.84
	21,700.89	13,278.40	3,636.14
27 Other financial liabilities			
Book overdraft	1,971.33	-	-
Accrued salaries and benefits	8,124.24	23,618.74	8,329.94
	10,095.57	23,618.74	8,329.94



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

	As at 31 March 2019	As at 31 March 2018	As at 01 April 2017
28 Other current liabilities			
Income received in advance	3,118.58	809.10	493.90
Withholding taxes, Goods and service tax and other taxes payable	11,116.50	11,899.49	13,736.27
Others	150.00	17,773.60	37,382.14
	<u>14,385.08</u>	<u>30,482.19</u>	<u>51,612.31</u>
29 Provisions			
Provision for employee benefits			
Gratuity	1,064.00	1,119.00	354.00
Compensated leave absences	191.00	152.00	76.00
	<u>1,255.00</u>	<u>1,271.00</u>	<u>430.00</u>



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

	for the year ended 31 March 2019	for the year ended 31 March 2018
30 Interest income		
On Financial assets measured at amortised cost		
Interest on loans	93,662.09	1,09,996.83
Interest income on margin with brokers	41,488.31	5,619.30
On intercorporate deposits	448.77	-
	<u>1,35,599.17</u>	<u>1,15,616.13</u>
31 Fee and commission income		
Advisory and other fees	1,65,870.00	55,375.98
	<u>1,65,870.00</u>	<u>55,375.98</u>
32 Net gain on fair value changes		
Profit / (loss) on trading of securities (net)	18,387.75	40,945.93
Profit / (loss) on equity derivative instruments (net)	56,234.48	(35,443.65)
Profit on trading in currency derivative instruments (net)	-	(1,715.17)
Loss on interest rate derivative instruments (net)	482.25	3,347.86
Profit on sale of real estate	1,51,842.94	2,15,921.95
Fair value gain on revaluation	11,15,437.20	4,36,400.85
Share of (loss) / profit in partnership firm	(2.67)	2.28
Total net gain on fair value changes	<u>13,42,381.95</u>	<u>6,59,460.05</u>
Fair value changes:		
Realised gain	2,26,312.19	2,23,059.20
Unrealised (loss)/gain	11,16,069.76	4,36,400.85
Total net gain on fair value changes	<u>13,42,381.95</u>	<u>6,59,460.05</u>
33 Other income		
Miscellaneous income	276.48	219.68
Interest Income - others	1,399.03	328.48
	<u>1,675.51</u>	<u>548.16</u>



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

	for the year ended 31 March 2019	for the year ended 31 March 2018
34 Finance costs		
On financial liabilities measured at amortised cost		
Interest on borrowings	8,12,810.05	5,36,831.67
Interest on subordinated liabilities	-	34,808.00
Other interest expense	20,678.75	4,512.41
	<u>8,33,488.80</u>	<u>5,76,152.08</u>
35 Impairment on financial instruments		
Trade receivables	87,025.21	86,515.06
	<u>87,025.21</u>	<u>86,515.06</u>
36 Employee benefits expenses		
Salaries and wages	1,19,695.18	1,26,089.44
Contribution to provident and other funds	5,192.81	3,379.79
Expense on employee stock option scheme (ESOP) (refer note.48)	(399.73)	(1,189.30)
Staff welfare expenses	3,114.76	1,850.94
	<u>1,27,603.02</u>	<u>1,30,130.87</u>



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in '000)

	for the year ended 31 March 2019	for the year ended 31 March 2018
37 Other expenses		
Advertisement and business promotion	2,364.94	3,381.77
Auditors' remuneration (<i>refer note below</i>)	450.00	211.20
Commission and brokerage	57,118.94	40,217.97
Communication	1,987.42	1,189.08
Directors' sitting fees	20.00	150.00
Legal and professional fees	2,565.65	12,983.01
Printing and stationery	450.27	157.93
Rates and taxes	42.22	18.24
Rent (<i>refer note.49</i>)	9,222.46	7,278.15
Repairs and maintenance	923.59	414.61
Electricity charges (<i>refer note.49</i>)	1,321.10	990.58
Computer expenses	158.66	106.22
Computer software	817.01	294.82
Clearing and custodian charges	171.10	146.75
Dematerialisation charges	-	4.50
Loss on sale of fixed assets	(15.22)	21.74
Office expenses (<i>refer note.49</i>)	10,018.37	3.42
Postage and courier	10.00	4.45
ROC expenses	-	16.80
Securities transaction tax	23,931.61	1,109.24
Seminar and conference	4,461.53	-
Goods and service tax expenses	5,515.50	1,141.48
Stamp duty	39.33	306.98
Stock exchange expenses	23.60	0.91
Transportation charges	0.50	3.06
Travelling and conveyance	9,036.52	5,421.42
Miscellaneous expenses	5.60	3.79
Housekeeping and security charges	682.52	494.20
	<u>1,31,323.22</u>	<u>76,072.32</u>
Auditors' remuneration:		
As Auditors	450.00	211.20
	<u>450.00</u>	<u>211.20</u>



38 Income tax disclosure

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

Particulars	2018-19	2017-18
Current tax	1,02,212.26	-
Adjustment in respect of current income tax of prior years	202.82	295.96
Deferred tax relating to origination and reversal of temporary differences	(2,36,269.44)	(2,43,106.45)
Deferred tax recognised on unused tax credit or unused tax losses	3,12,196.36	1,86,566.28
Total tax charge	1,78,342.00	(56,244.21)
Current tax	1,02,415.08	295.96
Deferred tax	75,926.92	(56,540.17)

Reconciliation of total tax charge

Particulars	2018-19	2017-18
Accounting profit before tax as per financial statements	4,62,770.88	(44,353.99)
Tax rate (in percentage)	34.944%	34.944%
Income tax expense calculated based on this tax rate	1,61,710.66	(15,499.06)
Adjustment in respect of current income tax of prior years	202.82	295.96
Effect of non-deductible expenses:		
Others	2,409.83	8.72
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	(88,193.57)	(41,049.83)
Recognition of available tax credits (Minimum Alternate Tax credit)	1,02,212.26	-
Tax charge for the year recorded in P&L	1,78,342.00	(56,244.21)

* Additional line-items may be inserted as per the requirements of the particular entity

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		
Deferred taxes in relation to:					
Property, plant and equipment	1,547.69	(996.09)	-	(996.09)	551.60
Trade receivables	(286.71)	2,912.08	-	2,912.08	2,625.37
Unrealised loss on derivatives	-	(221.04)	-	(221.04)	(221.04)
Fair valuation of investments	1,36,020.22	(3,89,778.38)	-	(3,89,778.38)	(2,53,758.16)
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	3,45,877.55	2,09,984.10	-	2,09,984.10	5,55,861.65
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	35,476.52	1,02,212.26	-	1,02,212.26	1,37,688.78
Disallowances under section 43B of the Income Tax Act, 1961	2,281.49	(39.85)	(46.30)	(86.15)	2,195.34
Total	5,20,916.76	(75,926.92)	(46.30)	(75,973.22)	4,44,943.54

	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		
Deferred taxes in relation to:					
Property, plant and equipment	(788.88)	2,336.57	-	2,336.57	1,547.69
Trade receivables	(5,092.45)	4,805.74	-	4,805.74	(286.71)
Fair valuation of investments	2,55,308.95	(1,19,288.73)	-	(1,19,288.73)	1,36,020.22
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	1,86,566.28	1,59,311.27	-	1,59,311.27	3,45,877.55
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	27,587.64	7,888.88	-	7,888.88	35,476.52
Disallowances under section 43B of the Income Tax Act, 1961	734.80	1,486.12	60.57	1,546.69	2,281.49
Total	4,64,316.34	56,539.85	60.57	56,600.42	5,20,916.76

Break-up of recognition of current tax	31-Mar-19	31-Mar-18
In profit and loss	1,02,415.08	295.96
In other comprehensive income	(46.30)	60.57

Break-up of income tax recorded in OCI	31-Mar-19	31-Mar-18
Gratuity	(46.30)	60.57
Total	(46.30)	60.57



Edelweiss Investment Adviser Limited**Notes to the financial statements (Continued)****For the year ended 31 March 2019**

(Currency: ₹ in '000)

39. Segment reporting

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

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

Income for each segment has been specifically identified. Expenditures, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

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

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
I Segment revenue		
a) Capital based business	14,79,656.63	7,75,624.34
b) Agency business	1,65,870.00	55,375.98
c) Unallocated	-	-
Total	16,45,526.63	8,31,000.32
Less : Inter segment revenue	-	-
Total income	16,45,526.63	8,31,000.32
II Segment results		
a) Capital based business	4,56,510.11	37,327.73
b) Agency business	6,260.77	(81,681.72)
c) Unallocated	-	-
Total	4,62,770.88	(44,353.99)
Profit/(loss) before taxation	4,62,770.88	(44,353.99)
Less : Provision for taxation	1,78,342.00	(56,244.21)
Profit after taxation	2,84,428.88	11,890.22



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2019

(Currency: ₹ in '000)

Segment reporting (continued)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
III Segment assets		
a) Capital based business	96,81,785.31	48,40,440.32
b) Agency business	972.60	1,153.34
c) Unallocated	4,09,441.05	4,96,213.87
Total	1,00,92,198.96	53,37,807.53
IV Segment liabilities		
a) Capital based business	1,06,57,723.60	61,96,777.47
b) Agency business	2,028.32	1,386.52
c) Unallocated	#REF!	#REF!
Total	#REF!	#REF!
V Capital expenditure (Including capital work-in-progress)		
a) Capital based business	5,642.36	2,699.39
b) Agency business	626.93	172.30
Total	6,270.29	2,871.69
VI Depreciation and amortisation		
a) Capital based business	2,980.96	6,089.57
b) Agency business	334.54	394.41
Total	3,315.50	6,483.98
VII Significant non-cash expenses other than depreciation and amortisation		
a) Capital based business	78,100.79	85,226.09
b) Agency business	8,677.87	5,439.96
Total	86,778.66	90,665.05



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2019

(Currency: ₹ in '000)

40. *Disclosure of Related parties as required under IND AS-24 – “Related party disclosure”*

(A) **Name of related party by whom control is exercised**

Edelweiss Financial Services Limited Holding Company

(B) **Fellow subsidiaries with whom transactions have taken place:**

Edelweiss Multi Strategy Fund Advisors LLP
Edelweiss Rural & Corporate Services Limited
(Formerly known as Edelweiss Commodities Services Limited)
Edelweiss Custodial Services Limited
Edelweiss Securities Limited
ECap Equities Limited
Edelweiss Asset Management Limited
Edelweiss Broking Limited
Edelweiss Global Wealth Management Limited
Edelweiss Housing Finance Limited
ECL Finance Limited
Edelweiss Retail Finance Limited
Edelweiss Insurance Brokers Limited
Edel Land Limited
Edelweiss Alternative Asset Advisors Limited
Edelweiss Asset Reconstruction Company Limited



40 Disclosure of Related parties as required under Indian accounting standards-24 - "Related Party Disclosure" (Continued)

(C) Transactions with related parties :

Sr. No.	Nature of Transaction	Name of Related Parties	2018-19	2017-18
	Capital account transactions during the year			
1	Investment in Partnership Firm	Edelweiss Multi Strategy Fund Advisors LLP	-	0.01
2	Redemption of preference share capital including premium by	Edelweiss Rural & Corporate Services Limited ECL Finance Limited	- -	2,050.00 2,200.00
		Edelweiss Commodities Services Limited ECL Finance Limited	- -	2,02,950.00 2,17,800.00
3	Equity shares issued to	Edelweiss Financial Services Limited	-	5,000.00
	Current account transactions during the year			
4	Short term loans taken from (refer note below)	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	#VALUE! #VALUE!	6,63,465.31 -
5	Short term loans repaid to (refer note below)	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	94,05,144.57 #VALUE!	43,18,337.88 -
6	Interest expenses on loan from	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	4,37,690.27 1,24,245.06	4,41,277.60 -
7	Share of loss / profit in partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	2.67	2.28
8	Interest income on margin from	Edelweiss Custodial Services Limited Edelweiss Securities Limited	38,185.96 3,302.35	5,604.84 14.46
9	Cost reimbursement paid to	Edelweiss Rural & Corporate Services Limited Edelweiss Housing Finance Limited Edelweiss Global Wealth Management Limited Edelweiss Securities Limited Edelweiss Retail Finance Limited Eternity Business Centre Limited Auris Corporate Centre Limited Burlington Business Solutions Limited ECap Equities Limited Edelweiss Asset Management Limited Edelweiss Broking Limited	- 65.26 88.99 1,510.67 793.98 - - - - - 4,494.13 5,219.66	1,379.57 97.16 55.22 1,117.47 - 129.22 213.53 16.40 249.33 1,265.48 4,794.65
10	Tax reimbursement paid to	Edelweiss Business Services Limited Edelweiss Rural & Corporate Services Limited	- 14,645.85	1,754.81 40,453.69
11	Tax reimbursement received from	Edelweiss Financial Services Limited	529.88	5,814.84
12	Advisory and Brokerage other fees earned from	Edelweiss Housing Finance Limited ECL Finance Limited	3,226.52 2,702.20	980.88 2,262.16
13	Office expenses	Edelweiss Rural & Corporate Services Limited	9,961.24	12,270.54
14	Clearing charges paid to	Edelweiss Custodial Services Limited	171.10	-
15	Insurance expenses paid to	Edelweiss Financial Services Limited	3,602.17	397.29
16	Sale of fixed assets to	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited Edelweiss Securities Limited Edelweiss Housing Finance Limited ECL Finance Limited Edelweiss Broking Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Custodial Services Limited Edelweiss Asset Reconstruction Company Limited	25.28 0.75 30.22 34.51 37.17 0.40 31.77 64.25 0.55	- 2.74 - - - - - - -
17	Sale of Property to	Edel Land Limited	28,500.00	-
18	Transfer of gratuity liability on account of employee transfer to	ECL Finance Limited	331.00	261.00
19	Transfer of gratuity liability on account of employee transfer from	Edelweiss Asset Management Limited	-	3,692.00



(Currency: ₹ in '000)

40 Disclosure of Related parties as required under Indian accounting standards-24 - "Related Party Disclosure" (Continued)

(C) Transactions with related parties :

Sr. No.	Nature of Transaction	Name of Related Parties	2018-19	2017-18
20	Purchase of fixed assets from	Edelweiss Insurance Brokers Limited	26.25	508.72
		Edelweiss Broking Limited	39.71	-
		Edelweiss Housing Finance Limited	99.48	-
		Edelweiss Securities Limited	28.18	-
		Edelweiss Asset Management Limited	8.57	-
21	Nomination deposits accepted from	Edelweiss Financial Services Limited	-	100.00
22	Nomination deposits paid to	Edelweiss Financial Services Limited	-	100.00
23	Margins placed with (refer note below)	Edelweiss Securities Limited	6,99,755.74	1,558.64
		Edelweiss Custodial Services Limited	32,43,877.83	7,58,508.22
24	Margins withdrawn by (refer note below)	Edelweiss Securities Limited	7,00,786.55	612.83
		Edelweiss Custodial Services Limited	23,56,274.60	6,66,406.53
25	Amount paid to broker for cash segment	Edelweiss Securities Limited	38,80,348.59	5,15,166.29
26	Amount received from broker for cash segment	Edelweiss Securities Limited	38,99,477.59	5,56,112.21
Balances with related parties				
27	Short term loan taken from	Edelweiss Rural & Corporate Services Limited	5,797.58	4,36,417.74
		Ecap Equities Limited	45,12,603.93	-
28	Trade payables to	Edelweiss Rural & Corporate Services Limited	3.69	6,324.35
		Edelweiss Housing Finance Limited	-	45.41
		Burlington Business Solutions Limited	-	0.01
		Edelweiss Asset Management Limited	1,036.34	-
		Edelweiss Broking Limited	-	1,581.67
		Edelweiss Global Wealth Management Limited	30.01	35.46
		Edelweiss Securities Limited	618.65	266.98
		Edelweiss Retail Finance Limited	18.83	-
Other liabilities				
29	Accrued interest expenses on loan taken from	Edelweiss Rural & Corporate Services Limited	2,41,476.66	456.47
		Ecap Equities Limited	46,034.53	-
30	Trade receivables from	ECL Finance Limited	722.52	65.66
		Edelweiss Housing Finance Limited	815.05	191.59
		Edelweiss Rural & Corporate Services Limited	0.00	158.25
		Edelweiss Financial Services Limited	496.30	145.20
		Edelweiss Asset Management Limited	-	2,550.08
31	Interest receivable on margins	Edelweiss Custodial Services Limited	1,947.90	563.13
32	Interest payable on margins	Edelweiss Securities Limited	3.69	-
33	Investment in partnership firm	Edelweiss Multi Strategy Fund Advisors LLP	-	2.29
Short-term loans and advances				
34	Advances with	Edelweiss Financial Services Limited	764.12	-
Other current assets				
35	Margin placed with	Edelweiss Custodial Services Limited	9,79,704.93	92,101.70
		Edelweiss Securities Limited	-	945.81
36	Margin payable to	Edelweiss Securities Limited	84.99	-

- Note:
- Loan given/taken to/from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum incremental amount given/taken and placed / refund received during the reporting period.
 - Disclosure under section 186(4) of the Companies Act, 2013 for loans: Loans have been given for general business purpose.
 - 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 entity are considered to be transacted with Edelweiss Rural & Corporate Services Limited and disclosed accordingly.



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2019

(Currency: ₹ in '000)

41. Earnings per share

The computation of earnings per share is set out below:

	2019	2018
a) Shareholders earnings (as per statement of profit and loss)	284,428.88	11,890.22
b) Calculation of weighted average number of Equity Shares of ₹ 10 each:		
– Number of equity shares at the beginning of the year	550,000	50,000
– Number of equity shares issued during the year	-	500,000
Total number of equity shares outstanding at the end of the year	550,000	550,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	550,000	54,110
c) Basic and diluted earnings per share (in ₹) (a/b)	517.14	219.74

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

42. Details of dues to micro and small enterprises

Trade payables include ₹.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.

43. During the year, interest income on real estate advances has been recognized on accrual and time proportionate basis at an agreed internal rate of return based on memorandum of understanding entered into between concerned parties.

44. Capital commitments

The Company has ₹.1,558,388.16 thousand (Previous year: ₹ 204,266.64 thousand) capital commitments as at the balance sheet date.

45. Contingent liabilities

A taxation matter in respect of which appeal is pending is Nil (Previous year: ₹.18, 450.30 thousand).

46. Earnings and expenditure in foreign currency

The Company did not have any earnings or expenditure in foreign currency during the year (previous year: ₹. Nil).



47 Employee Benefits

a) Defined contribution plan (provident funds):

The Company recognised ₹ 51,89.76 thousand (Previous year ₹ 3,377.80 thousand) for provident fund and other contributions in the statement of profit and loss.

b) Defined benefit plan (gratuity):

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Reconciliation of defined benefit obligation (DBO)

	31 March 2019	31 March 2018
Present value of DBO at start of the year	5,914.00	1,938.00
<i>Service cost</i>		
a. Current Service cost	914.00	904.00
b. Past service cost	-	291.00
c. Loss/(gain) from settlement	-	-
Interest cost	391.00	354.00
Benefits paid	(1,234.00)	(1,212.00)
Re-measurements	-	-
a. Actuarial Loss/(gain) from changes in demographic assumptions	-	-
b. Actuarial Loss/(gain) from changed in financials assumptions	50.00	(116.00)
c. Actuarial Loss/(Gain) from experience over last past year	(209.23)	324.00
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Transfer in / (out)	(331.00)	3,431.00
Present value of DBO at end of the year	5,494.77	5,914.00

Reconciliation of Fair Value of Plan Assets

	31 March 2019	31 March 2018
Fair value of plan assets at start of the year	-	-
<i>Contributions by employer</i>	1,234.00	1,212.00
Benefits paid	(1,234.00)	(1,212.00)
Interest income plan assets	-	-
Re-measurements	-	-
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	-	-
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Fair value of plan assets at end of the year	-	-
<i>Actual return on plan assets</i>	-	-
<i>Expected employer contributions for the coming year</i>	-	-



47 Employee Benefits

Expenses recognised in the statement of Profit and Loss

	31 March 2019	31 March 2018
<i>Service cost</i>	-	-
a.Current service cost	914.00	904.00
b.Past service cost	-	291.00
c.Loss/(gain) from settlement	-	-
Net interest on net defined benefit liability / (asset)	391.00	354.00
Changes in foreign exchange rate	-	-
Employer expenses	1,305.00	1,549.00

Net liability / (asset) recognised in the Balance Sheet

	31 March 2019	31 March 2018
Present value of DOB	5,494.77	5,914.00
Fair value of plan assets	-	-
Liability / (asset) recognised in the Balance Sheet	5,494.77	5,914.00
Funded status [surplus/ (deficit)]	(5,494.77)	(5,914.00)
Of which, short term liability	1,064.00	1,119.00
Experience adjustment on plan liabilities:(gain)/loss	(209.00)	324.00

Percentage break-down of total plan assets

	31 March 2019	31 March 2018
Equity instruments	0.0%	0.0%
Debt instruments	0.0%	0.0%
Real estate	0.0%	0.0%
Derivatives	0.0%	0.0%
Investment funds with insurance company	0.0%	0.0%
Of which, Unit linked	0.0%	0.0%
Of which, Traditional/ Non-Unit linked	0.0%	0.0%
Asset-backed securities	0.0%	0.0%
Structured debt	0.0%	0.0%
Cash and cash equivalents	0.0%	0.0%
Total	0.0%	0.0%

Actuarial assumptions:

	31 March 2019	31 March 2018
Salary growth rate (% p.a)	7% p.a	7% p.a
Discount rate (% p.a)	6.7% p.a	7% p.a
Withdrawal rate (% p.a)		
<i>Senior</i>	13% p.a	13% p.a
<i>Middle</i>	30% p.a	30% p.a
<i>Junior</i>	60% p.a	60% p.a
Mortality rate	IALM 2012-14(Ultimate)	IALM 2006-08(Ultimate)
Expected weighted average remaining working life (years)	3 Years	4 Years



47 Employee Benefits

Movement in other comprehensive income

	31 March 2019	31 March 2018
Balance at start of year (loss)/ gain	NIL*	NIL*
<i>Re-measurements on DBO</i>		
a. Actuarial loss/(gain) from changes in demographic assumptions	-	-
b. Actuarial loss/(gain) from changed in financials assumptions	(50.0)	116.00
c. Actuarial loss/(gain) from experience over last past year	209.00	(324.00)
<i>Re-measurements on plan assets</i>	-	-
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	-	-
Balance at end of year (Loss)/ gain	159.00	(208.00)

*Ind AS 19 is being adopted from FY 2018-19 and date of transition being 01 April 2018, so prior year's disclosures are for comparative purpose only.

Sensitivity Analysis

DOB increases / (decreases) by	31 March 2019	31 March 2018
1 % Increase in salary growth rate	271.00	300.00
1 % Decrease in salary growth rate	(253.00)	(278.00)
1 % Increase in discount rate	(251.00)	(276.00)
1 % Decrease in discount rate	274.00	303.00
1 % Increase in withdrawal rate	(24.00)	(15.00)
1 % Decrease in withdrawal rate	25.00	15.00
Mortality (increase in expected lifetime by 1 year)	Negligible change	Negligible change
Mortality (increase in expected lifetime by 3 year)	Negligible change	Negligible change

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses

Movement in surplus / (deficit)

	31 March 2019	31 March 2018
Surplus / (deficit) at start of year	(5,914.00)	(1,938.00)
Net (acquisition) / divestiture	-	-
Net transfer (in)/ out	331.00	(3,431.00)
<i>Movement during the year</i>	-	-
Current service cost	(914.00)	(904.00)
Past service cost	-	(291.00)
Net interest on net DBO	(391.00)	(354.00)
Changes in foreign exchange rate	-	-
Re-measurements	159.00	(208.00)
Contributions / benefits	1,234.00	1,212.00
Surplus / (deficit) at end of year	(5,495.00)	(5,914.00)



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

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48. Employee Stock Option Plans

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

49. Cost sharing

Edelweiss Rural & Corporate Services Limited (formerly known as Edelweiss Commodities Services Limited), and other fellow subsidiary companies, incurs expenditure like rent and electricity expenditure, etc. which is for the common benefit of Edelweiss Investment Adviser Limited. This cost so expended is reimbursed by the company on the basis of number of employees, area occupied, actual identifications etc.

50. Risk Management

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

Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee. The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Global Risk Company is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Credit risk

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

Liquidity risk

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



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50. Risk Management (Continued)

Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analyzed based on expected maturity.

Equity and Index Price Risk:

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

Index 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 equity indices.

	2018-19			
Impact on	Increase in currency rate (%)	Effect on profit before tax	Decrease in currency rate (%)	Effect on profit before tax
Derivatives	5	(1,846.32)	5	1,846.32

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.

	2018-19			
Impact on	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Loans classified at FVTPL	5	294,840.79	5	(294,840.79)

	2017-18			
Impact on	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Loans classified at FVTPL	5	168,320.79	5	(168,320.79)



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Notes to the financial statements (Continued)
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51 Fair values of financial instruments

A. Valuation governance framework

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

B. Fair value hierarchy

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: 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 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

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

Particulars	As at 31 March 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Derivative financial instruments (assets):				
Exchange-traded derivatives	632.56	-	-	632.56
Total derivative financial instruments (assets)	632.56	-	-	632.56
Loans:				
Loans classified as FVTPL	-	-	58,96,815.72	58,96,815.72
Total loans measured at fair value	-	-	58,96,815.72	58,96,815.72
Total financial assets measured at fair value on a recurring basis	632.56	-	58,96,815.72	58,97,448.28

Particulars	As at 31 March 2018			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Loans:				
Loans classified as FVTPL	-	-	33,66,415.72	33,66,415.72
Total loans measured at fair value	-	-	33,66,415.72	33,66,415.72
Investments:				
Investment in partnership firm-Edelweiss Multi Strategy Fund Advisors LLP	-	-	2.29	2.29
Total financial assets measured at fair value on a recurring basis	-	-	33,66,418.01	33,66,418.01

Particulars	As at 01 April 2017			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Loans:				
Loans classified as FVTPL	-	-	21,33,163.78	21,33,163.78
Total loans measured at fair value	-	-	21,33,163.78	21,33,163.78
Total financial assets measured at fair value on a recurring basis	-	-	21,33,163.78	21,33,163.78



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51 Fair values of financial instruments (Continued)

D. Movement in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Particulars	Financial assets	Financial liabilities	Total
	Loans at FVTPL	Other financial liabilities	
At 01 April 2018	33,66,415.72	-	33,66,415.72
Purchase	15,10,940.27	-	15,10,940.27
Sales	-	-	-
Gains / (losses) for the period (2018-19) recognised in profit or loss -Unrealised	10,19,459.73	-	10,19,459.73
At 31 March 2019	58,96,815.72	-	58,96,815.72

Particulars	Financial assets	Financial liabilities	Total
	Loans at FVTPL	Other financial liabilities	
At 01 April 2017	21,33,163.78	-	21,33,163.78
Purchase	8,73,183.85	-	8,73,183.85
Sales	-	-	-
Gains / (losses) for the period (2018-19) recognised in profit or loss -Unrealised	3,60,068.09	-	3,60,068.09
At 31 March 2018	33,66,415.72	-	33,66,415.72



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51 Fair values of financial instruments (Continued)

E. Unobservable inputs used in measuring fair value categorised within level 3

Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Type of financial Instruments	Fair value of asset as on 31 March 2019	Fair value of liability as on 31 March 2019	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Increase in the unobservable input (% or as the case may be)	Change in fair value
Loans classified as FVTPL	58,96,815.72	-	Comparable transaction value	Discounting rate	15%-20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value		
Loans classified as FVTPL	33,66,415.72	-	Comparable transaction value	Discounting rate	18%-25%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value		



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52 Total market risk exposure

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

Particulars	As at 31 March 2019			As at 31 March 2018			As at 01 April 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	2,461.28	-	2,461.28	3,987.49	-	3,987.49	25,482.40	-	25,482.40
Loans at FVTPL	58,96,815.72	-	58,96,815.72	33,66,415.72	-	33,66,415.72	21,33,163.78	-	21,33,163.78
Loans at amortised cost	2,06,352.98	-	2,06,352.98	1,57,423.71	-	1,57,423.71	316.12	-	316.12
Trade receivables	10,125.70	-	10,125.70	16,476.23	-	16,476.23	54,152.10	-	54,152.10
Financial investments- amortised cost	-	-	-	2.29	-	2.29	-	-	-
Accrued interest on margin	1,947.90	1,947.90	-	563.13	563.13	-	-	-	-
Margin placed with brokers	9,79,619.94	9,79,619.94	-	93,047.51	93,047.51	-	-	-	-
Total	70,97,323.52	9,81,567.84	61,15,755.68	36,37,916.08	93,610.64	35,44,305.44	22,13,114.40	-	22,13,114.40
Liability									
Borrowings (other than debt securities)	1,05,14,718.27	-	1,05,14,718.27	61,24,255.66	-	61,24,255.66	44,49,431.52	-	44,49,431.52
Trade payables	21,700.89	-	21,700.89	13,278.41	-	13,278.41	3,636.15	-	3,636.15
Subordinated liabilities	-	-	-	-	-	-	2,87,540.85	-	2,87,540.85
Other financial liabilities	10,095.57	-	10,095.57	23,618.74	-	23,618.74	8,329.94	-	8,329.94
Total	1,05,46,514.73	-	1,05,46,514.73	61,61,152.81	-	61,61,152.81	47,48,938.46	-	47,48,938.46



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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	1,65,870.00
Service transferred over time	-
Total revenue from contract with customers	1,65,870.00

For the year ended 31 March 2018

Particulars	Fees and commission income
Service transferred at a point in time	55,375.98
Service transferred over time	-
Total revenue from contract with customers	55,375.98



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54. Derivative financial instruments

The Company enters into derivative transactions to hedge its equity risks and index risks. These derivatives are held for risk management purposes i.e. economic hedges but the Company has elected not to apply hedge accounting requirements.

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

Particulars	Unit	Notional		Fair value of asset (INR)	Notional		Fair value of liability (INR)
		Currency	Notional amount*		Currency	Notional amount*	
(i) Equity linked derivatives							
-Stock Futures	Number of shares		11,41,600	3,612.62	Number of shares	8,51,800	2,605.14
				3,612.62			2,605.14
Less: amounts offset				3,612.62			2,605.14
Subtotal(i)				-			-
(ii) Index linked derivatives							
-Index Futures					Number of index units	36,320	374.92
							374.92
Less: amounts offset							374.92
Subtotal(ii)							-
Total derivative financial instruments				-			-

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



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55. Offsetting

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis. The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

Financial assets subject to offsetting as at 31 March 2019

Derivative financial assets	Offsetting recognised in the balance sheet		Net asset recognised in balance sheet	Financial liabilities	Netting potential not recognised in balance sheet		Assets not subject to netting arrangements Assets recognised on the balance sheet	Total assets Recognised in the balance sheet
	Gross asset before offset	Amount offset*			Collaterals received	Assets after consideration of netting potential		
Derivative financial assets	3,612.62	3,612.62	-	-	-	-	-	-

Financial liabilities subject to offsetting as at 31 March 2019

Derivative financial liability	Offsetting recognised in the balance sheet		Net liability recognised in balance sheet	Financial assets	Netting potential not recognised in balance sheet		Liabilities not subject to netting arrangements Liabilities recognised on the balance sheet	Total liabilities Recognised in the balance sheet
	Gross liability before offset	Amount offset*			Collaterals paid	Liabilities after consideration of netting potential		
Derivative financial liability	2,980.06	2,980.06	-	-	-	-	-	-

* As at the reporting date, the amount of gross derivative assets & liabilities that has been offset against the cash margin is Rs.3,612.62 thousand and Rs.2,980.06 thousand respectively.



56 Disclosure related to collateral

Following table sets out availability of Company's financial and non financial assets to support funding

As at 31 March 2019	Pledge as collateral	Others 1	Available as collateral	Others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	2,461.28	2,461.28
Trade receivables	-	-	10,125.70	-	10,125.70
loans	-	-	61,03,168.70	-	61,03,168.70
Other financial assets	9,81,567.84	-	-	-	9,81,567.84
Investment property	-	-	25,08,734.35	-	25,08,734.35
Property, plant and equipment	-	-	4,935.07	-	4,935.07
Other non financial assets	-	-	-	95.00	95.00
Total assets	9,81,567.84	-	86,26,963.82	2,556.28	96,11,087.94

As at 31 March 2018	Pledge as collateral	Others 1	Available as collateral	Others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	3,987.49	3,987.49
Trade receivables	-	-	16,476.23	-	16,476.23
loans	-	-	35,23,839.43	-	35,23,839.43
Investments	-	-	2.29	-	2.29
Other financial assets	93,610.64	-	-	-	93,610.64
Investment property	-	-	11,47,316.25	-	11,47,316.25
Property, plant and equipment	-	-	2,207.43	-	2,207.43
Other non financial assets	-	-	-	95.00	95.00
Total assets	93,610.64	-	46,89,841.63	4,082.49	47,87,534.76

As at 01 April 2017	Pledge as collateral	Others 1	Available as collateral	Others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	25,482.40	25,482.40
Trade receivables	-	-	54,152.10	-	54,152.10
loans	-	-	21,33,479.90	-	21,33,479.90
Investment property	-	-	13,20,619.64	-	13,20,619.64
Property, plant and equipment	-	-	872.44	-	872.44
Other non financial assets	-	-	-	95.00	95.00
Total assets	-	-	35,09,124.08	25,577.40	35,34,701.48

- 1 Represents assets which are not pledged and Group believes it is restricted from using to secure funding for legal or other reason.
- 2 Represents assets which are not restricted for use as collateral, but that the group would not consider readily available to secure funding in the normal course of business.



57 Remaining contractual maturities

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

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

As at 31 March 2019	On demand	Less than 3 months	> 3 years	Total
Trade payables from non-related parties	-	19,993.36	-	19,993.36
Trade payables from related parties	-	1,707.53	-	1,707.53
Borrowings (other than debt securities) group	1,05,14,718.27	-	-	1,05,14,718.27
Other financial liabilities	-	10,095.57	-	10,095.57
Total undiscounted non-derivative financial liabilities	1,05,14,718.27	31,796.46	-	1,05,46,514.73

As at 31 March 2018	On demand	Less than 3 months	> 3 years	Total
Trade payables from non-related parties	-	5,024.52	-	5,024.52
Trade payables from related parties	-	8,253.88	-	8,253.88
Borrowings (other than debt securities) group	61,24,255.66	-	-	61,24,255.66
Other financial liabilities	-	23,618.74	-	23,618.74
Total undiscounted non-derivative financial liabilities	61,24,255.66	36,897.14	-	61,61,152.80

As at 01 April 2017	On demand	Less than 3 months	> 3 years	Total
Trade payables from non-related parties	-	3,543.30	-	3,543.30
Trade payables from related parties	-	92.84	-	92.84
Borrowings (other than debt securities) group	44,49,431.52	-	-	44,49,431.52
Subordinated financial liabilities	-	-	2,87,540.85	2,87,540.85
Other financial liabilities	-	8,329.94	-	8,329.94
Total undiscounted non-derivative financial liabilities	44,49,431.52	11,966.08	2,87,540.85	47,48,938.45

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

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

As at 31 March 2019	On demand	Less than 3 months	> 3 years	Total
Cash and cash equivalent and other bank balances	2,461.28	-	-	2,461.28
Trade receivable from non-related parties	-	8,091.84	-	8,091.84
Trade receivable from related parties	-	2,033.86	-	2,033.86
Loans	-	-	61,03,168.70	61,03,168.70
Other financial assets	-	9,80,935.28	-	9,80,935.28
Total	2,461.28	9,91,060.98	61,03,168.70	70,96,690.96

As at 31 March 2018	On demand	Less than 3 months	> 3 years	Total
Cash and cash equivalent and other bank balances	3,987.49	-	-	3,987.49
Trade receivable from non-related parties	-	13,365.44	-	13,365.44
Trade receivable from related parties	-	3,110.79	-	3,110.79
Loans	-	-	35,23,839.43	35,23,839.43
Investments at amortised cost	-	2.29	-	2.29
Other financial assets	-	93,610.64	-	93,610.64
Total	3,987.49	1,10,089.16	35,23,839.43	36,37,916.08

As at 01 April 2017	On demand	Less than 3 months	> 3 years	Total
Cash and cash equivalent and other bank balances	25,482.40	-	-	25,482.40
Trade receivable from non-related parties	-	53,567.18	-	53,567.18
Trade receivable from related parties	-	584.92	-	584.92
Loans	-	-	21,33,479.90	21,33,479.90
Total	25,482.40	54,152.10	21,33,479.90	22,13,114.40



57 Remaining contractual maturities
C. Maturity analysis for derivatives:

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

As at 31 March 2019	On demand	Less than 3 months	> 3 years	Total
Net settled derivatives entered into for trading purposes		632.56		632.56
Total	-	632.56	-	632.56

D. The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments.

As at 31 March 2019	On demand	Less than 3 months	> 3 years	Total
Other commitments			15,58,388.16	15,58,388.16
Total	-	-	15,58,388.16	15,58,388.16
As at 31 March 2018	On demand	Less than 3 months	> 3 years	Total
Other commitments			20,42,668.64	20,42,668.64
Total	-	-	20,42,668.64	20,42,668.64
As at 01 April 2017	On demand	Less than 3 months	> 3 years	Total
Other commitments			22,13,279.90	22,13,279.90
Total	-	-	22,13,279.90	22,13,279.90



58 Cash flow disclosure

Change in liabilities arising from financing activities

Particulars	As at 01 April 2018	Cash flows	Changes in fair values	Others*	As at 31 March 2019
Borrowings other than debt securities	61,24,255.66	35,77,652.56	-	8,12,810.05	1,05,14,718.27
Total liabilities from financing activities	61,24,255.66	35,77,652.56	-	8,12,810.05	1,05,14,718.27

Particulars	As at 01 April 2017	Cash flows	Changes in fair values	Others*	As at 31 March 2018
Borrowings other than debt securities	44,49,431.52	11,37,992.47	-	5,36,831.67	61,24,255.66
Subordinated liabilities	2,87,540.85	(4,25,000.00)	1,02,651.15	34,808.00	-
Total liabilities from financing activities	47,36,972.37	7,12,992.47	1,02,651.15	5,71,639.67	61,24,255.66

* Other column includes the effect of interest accrued during the period.



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Analysis of risk concentration

59. Industry analysis - risk concentration for 31 March 2019

Particulars	Financial services	Construction	Total
Financial assets			
Cash and cash equivalent and other bank balances	2,461.28	-	2,461.28
Other financial assets	9,81,567.84	-	9,81,567.84
Trade and other receivables	2,011.25	8,114.45	10,125.70
Loans-FVTPL	-	58,96,815.72	58,96,815.72
Loans-amortised Cost	177.13	2,06,175.85	2,06,352.98
Total	9,86,217.50	61,11,106.02	70,97,323.52

Industry analysis - risk concentration for 31 March 2018

Particulars	Financial services	Construction	Total
Financial assets			
Cash and cash equivalent and other bank balances	3,987.49	-	3,987.49
Financial assets - amortised cost	2.29	-	2.29
Other financial assets	93,610.64	-	93,610.64
Trade and other receivables	13,146.52	3,329.71	16,476.23
Loans-FVTPL	-	33,66,415.72	33,66,415.72
Loans-amortised cost	774.66	1,56,649.05	1,57,423.71
Total	1,11,521.60	35,26,394.48	36,37,916.08

Industry analysis - risk concentration for 01 April 2017

Particulars	Financial services	Construction	Total
Financial assets			
Cash and cash equivalent and other bank balances	25,482.40	-	25,482.40
Trade and other receivables	3,788.06	50,364.04	54,152.10
Loans-FVTPL	-	21,33,163.78	21,33,163.78
Loans-amortised cost	316.12	-	316.12
Total	29,586.58	21,83,527.82	22,13,114.40



60. Loans at amortised cost

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

Particulars	31 March 2019				31 March 2018			1 April 2017				
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loan measured at amortised cost												
Performing	2,06,352.98	-	-	2,06,352.98	1,57,423.71	-	-	1,57,423.71	316.12	-	-	316.12
Standard grade									316.12			316.12
Total	2,06,352.98	-	-	2,06,352.98	1,57,423.71	-	-	1,57,423.71	316.12	-	-	316.12

Reconciliation of changes in gross carrying amount of loan assets

Particulars	31 March 2019				31 March 2018			
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Gross carrying amount opening balance	1,57,423.71	-	-	1,57,423.71	316.12	-	-	316.12
New assets originated or purchased	48,929.27	-	-	48,929.27	1,57,107.59	-	-	1,57,107.59
Gross carrying amount closing balance	2,06,352.98	-	-	2,06,352.98	1,57,423.71	-	-	1,57,423.71



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2019

(Currency: ₹ in '000)

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

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of April 01, 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.

Exemption applied

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 01 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 AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

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

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.

Share-based payments

The Company has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS 01 April 2017.



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2019

(Currency: ₹ in '000)

62. Reconciliation of Total Comprehensive Income for the year ended 31 March 2018 under erstwhile Indian GAAP and Ind AS as summarised below:

(a) Reconciliation of Total Equity

	As at 31 March 2018	As at 01 April 2017
Total equity / shareholders' funds as per previous GAAP	(952,398.88)	10,387.89
<u>Adjustments:</u>		
Preference shares issued to Company	(110,782.89)	(110,782.89)
Deemed capital contribution - ESOP- retained earnings	(1,103.00)	(1,103.00)
Deemed capital contribution (Ind AS) – ESOP	1,257.00	1,103.00
Capital and securities premium on preference shares redemption	145,590.89	(425,000.00)
Deemed capital contribution (Ind AS) - preference share	-	248,242.06
Other comprehensive Income	(147.43)	-
Fair valuation of financial assets and investment property	(389,252.02)	(743,152.88)
Tax adjustment on above items	446,479.87	247,047.02
Total adjustment to Equity	920,42.42	(783,646.69)
Total equity / shareholders' funds as per Ind AS	(860,356.46)	(773,258.80)

(b) Reconciliation of Total Comprehensive Income

	Year ended 31 March 2018
Profit as per as per previous GAAP	(542,786.77)
<u>Adjustments:</u>	
Preference shares issued to Company companies	(34,808.01)
Fair valuation of financial asset and investment property	436,400.85
Expected credit losses	(82,500)
ESOP cost	1,189.30
Remeasurement of defined benefit plans (actuarial gains / losses)	208.00
Tax adjustment on above items	234,186.85
Total effect of transition to Ind AS	554,676.99
Profit as per Ind AS (after tax)	11,890.22
Other comprehensive Income for the year	(147.43)
Total comprehensive Income under Ind AS	11,742.79



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2019

(Currency: ₹ in '000)

63. Statement of cash flows

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

64. Previous year figures have been reclassified to conform to this year's classification

As per our report of even date.

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No.: 119850W

R.P. Soni

Partner

Membership No: 104796



Mumbai

Date: 10 May 2019

For and on behalf of the Board of Directors

Sanjeev Rastogi

Director

DIN No.:00254303

Mumbai

Date: 10 May 2019

Jitendra Shah

Director

DIN.:08191547