

EDELWEISS COMTRADE LIMITED

Special Purpose Ind AS Financial Statements
(For Consolidation with Holding Company)
Financial Year 2020-21

G. K. Choksi & Co.

Chartered Accountants

'Madhuban', Nr. Madalpur Underbridge, Ellisbridge, Ahmedabad - 380 006.
Dial : 91 - 79 - 6819 8900, 99251 74555 - 56 ; E-mail : info@gkcco.com

INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
Edelweiss Comtrade Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of Edelweiss Comtrade Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, 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 Special Purpose Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose 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 Special Purpose Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

Emphasis of Matter

We draw attention to Note 1.2 of the financial statements, which describes that the entity has ceased its operation and does not have any business activity planned for future. Accordingly the Financial Statements for the year have been prepared on a non-going concern basis.

My opinion is not modified in respect of this matter.

Other Information

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

Our opinion on the Special Purpose Financial Statements does not cover the other
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information and we do not express any form of assurance conclusion thereon.

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

Responsibility of Management for the Special Purpose Financial Statements

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

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

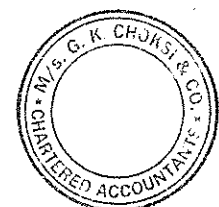
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose 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 Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

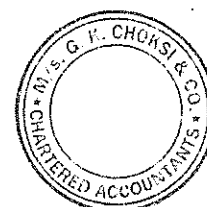
Other Matter

The Company has prepared a separate set of financial statements for the year ended March 31, 2021 which is prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended, on which we issued a separate auditor's report to the members of the Company. The separate auditor's report can be used by S.R. Batliboi & Co. LLP (the current statutory auditor of ERCSL) in conjunction with the audit of consolidated financial statements.

This report is issued at the request of the Company and is intended solely for the information and use of the Edelweiss Rural & Corporate Services Limited ('Holding Company' or 'ERC SL'), for the purpose of presentation of its consolidated audited financial statements for the year ended March 31, 2021 and for the use of S.R. Batliboi & Co. LLP (the current statutory auditor of ERC SL) in conjunction with the audit of consolidated financial statements and is not intended to be and should not be used for any other purpose.

Report on Other Legal and Regulatory Requirements

1. 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 special purpose 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 special purpose financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
- (g) According to the information and explanation given to us and based on our examination of records of the company, the company has not paid/provided any managerial remuneration during the year under review;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its special purpose financial statements – Refer Note 35 to the special purpose financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]

Chartered Accountants

Rohit Choksi

ROHIT K. CHOKSI

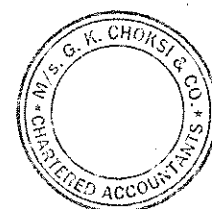
Partner

Mem. No. 31103

UDIN : 21031103AAAAGH7838

Place : Ahmedabad

Date : 21st May, 2021



Annexure A

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

We have audited the internal financial controls over financial reporting of Edelweiss Comtrade Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the special purpose financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

A company's internal financial control over financial reporting with reference to these special purpose financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A



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

Inherent Limitations of Internal Financial Controls over Financial Reporting with Reference to these Special purpose Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these special purpose financial statements and such internal financial controls over financial reporting with reference to these special purpose financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR G. K. CHOKSI & CO.

[Firm Registration No. 101895W]
Chartered Accountants


ROHIT K. CHOKSI
Partner

Mem. No. 31103

UDIN : 21031103AAAAGH7838

Place : Ahmedabad

Date : 21st May, 2021



Edelweiss Comtrade Limited

Balance Sheet

(Currency: Indian rupees in thousands)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non current assets			
Property, plant and equipment	2	87.47	249.88
Other intangible assets	3	2.02	5.01
Financial assets			
(i) Other financial assets	4	3,000.00	3,570.00
Deferred tax assets (net)	5	255.84	1,812.81
Non - Current tax assets (net)	6	1,975.49	2,778.15
Other non current assets	7	36.00	1,121.00
		<u>5,356.81</u>	<u>9,536.85</u>
Current assets			
Financial assets			
(i) Trade receivable	8	4.88	7,422.57
(ii) Cash and cash equivalents	9	6,206.66	39,566.20
(iii) Other Bank Balances	10	11,118.54	9,557.14
(iv) Loan	11	-	76.76
(v) Other financial assets	12	539.21	6,371.41
Current tax assets (net)	13	8,129.30	6,825.76
Other current assets	14	5,812.43	4,815.82
		<u>31,811.03</u>	<u>74,635.67</u>
		<u>37,167.84</u>	<u>84,172.52</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	2,90,000.00	2,90,000.00
Other equity	16	(2,73,745.72)	(2,56,208.08)
		<u>16,254.28</u>	<u>33,791.92</u>
LIABILITIES			
Non current liabilities			
Financial liabilities			
Provisions	17	8.46	-
		<u>8.46</u>	<u>-</u>
Current liability			
Financial liabilities			
(i) Borrowings	18	11,377.22	26,731.91
(ii) Trade payables			
(a) total outstanding dues of small enterprises and micro enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	19	8,995.96	18,578.99
(iii) Other financial liabilities	20	494.15	3,895.05
Other current liabilities	21	34.76	962.55
Provisions	22	3.00	212.09
		<u>20,905.09</u>	<u>50,380.60</u>
		<u>37,167.84</u>	<u>84,172.52</u>

1 - 46

Significant accounting policies and notes forming part of the financial statements

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

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

Rohit K Choksi
Rohit K Choksi

Partner
Membership No: 31103

For and on behalf of the Board of Directors

Rajesh Mendon
Rajesh Mendon

Executive Director and
Chief Financial Officer
DIN : 07627485

Rajeev Khandal
Rajeev Khandal

Non Executive Director
DIN:07340336

Place: Ahmedabad
Date: May 21, 2021



Place: Mumbai
Date: May 21, 2021



Edelweiss Comtrade Limited

Statement of Profit and Loss

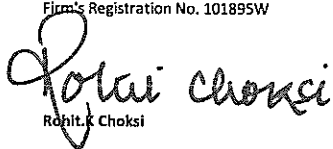
(Currency: Indian rupees in thousands)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Fee and commission income	23	-	61,670.65
Interest income	24	686.67	18,146.76
Other operating revenue	25	-	(579.83)
Total revenue from operations		686.67	79,237.58
Other income	26	4,669.11	5,174.74
Total Income		5,355.78	84,412.31
Expenses			
Employee benefits expense	27	2,872.42	22,405.39
Finance costs	28	4,165.91	18,123.70
Depreciation and amortisation expense	2&3	100.25	396.82
Impairment loss on financial instruments	29	2,094.27	1,999.41
Other expenses	30	9,628.60	36,335.41
Total expenses		18,861.45	79,260.74
Profit before tax		(13,505.67)	5,151.57
Tax expenses:			
Current tax		-	(637.49)
Deferred tax		1,556.97	4,449.52
Profit/(loss) for the period/year from continuing operations		(15,062.64)	1,339.54
Items that will not be reclassified to profit or loss			
Remeasurement gain on defined benefit plans (OCI)		(2,475.00)	(3,734.00)
Other Comprehensive Income		(2,475.00)	(3,734.00)
Total comprehensive income		(17,537.64)	(2,394.46)
Earnings per equity share: (Face value of Rs 10 each):			
Basic and diluted (in Rs.)	32	(0.52)	0.05

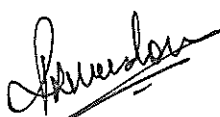
Significant accounting policies and notes forming part of the financial statements 1 - 46

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

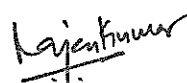
For G. K. Choksi & Co.
Chartered Accountants
Firm's Registration No. 101895W


Rohit K Choksi

Partner
Membership No: 31103



Rajesh Mendon
Executive Director
and Chief Financial
Officer
DIN : 07627485



Rajeev Khandal
Non Executive Director
DIN:07340336

Place: Ahmedabad
Date: May 21, 2021



Place: Mumbai
Date: May 21, 2021



Edelweiss Comtrade Limited

Statement of changes in equity

(Currency : Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
A) Equity share capital		
Balance as at beginning of the year	2,90,000.00	2,90,000.00
Changes in equity share capital during the year	-	-
Balance at the end of the year	2,90,000.00	2,90,000.00

B) Other Equity

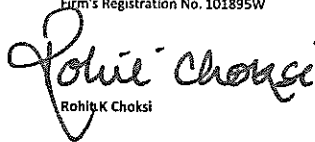
Particulars	Deemed capital contribution - ESOP (refer note a below)	Retained Earnings	Total
Balance at April 01, 2019	2,514.15	(2,56,327.77)	(2,53,813.62)
Total Comprehensive Income for the year	-	(2,394.46)	(2,394.46)
ESOP charge	-	-	-
Balance at March 31, 2020 (Ind AS)	2,514.15	(2,58,722.23)	(2,56,208.08)
Total Comprehensive Income for the year	-	(17,537.65)	(17,537.65)
Balance at March 31, 2021 (Ind AS)	2,514.15	(2,76,259.88)	(2,73,745.72)

Note:

a) Deemed capital contribution - ESOP

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

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


Rohit K Choksi

Partner
Membership No: 31103

For and on behalf of the Board of Directors


Rajesh Mendon
Executive Director and
Chief Financial Officer

DIN : 07627485


Rajeev Khandal
Non Executive Director

DIN:07340336

Place: Ahmedabad
Date: May 21, 2021

Place: Mumbai
Date: May 21, 2021



Edelweiss Comtrade Limited

Cash Flow Statement

for the year ended 31 March 2021

(Currency : Indian rupees in thousands)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities		
(Loss)/Profit before tax	(13,505.67)	5,151.57
<i>Adjustments for</i>		
Depreciation and amortization expenses	100.25	396.82
Provision for expected credit loss on trade receivables	(5,488.46)	-15,623.16
Interest income on tax refund	(389.48)	-
Loss/ (Profit) on sale/ write-off of fixed assets (net)	8.08	(515.03)
Interest income	(686.67)	(653.17)
Interest expense	4,167.60	18,123.10
Operating cash flow before working capital changes	(15,794.33)	6,880.14
<i>Adjustments for working capital changes</i>		
Decrease/ (Increase) in trade receivables	12,906.15	16,029.33
(Increase)/ Decrease in loans and other financial assets	6,478.96	4,30,068.22
Decrease/ (Increase) in other non-financial assets	(2,386.61)	(1,176.62)
Increase in trade payables and other financial liabilities	(12,983.93)	(3,27,069.43)
Decrease in non financial liabilities	(927.79)	(2,028.05)
Decrease in Provision	(200.63)	(204.18)
Cash generated/ (used) in operations	(12,908.19)	1,22,499.41
Income taxes paid	111.41	3,469.26
Net cash used in operating activities - A	(13,019.59)	1,19,030.15
B Cash flow from investing activities		
Purchase of tangible and intangible assets	(5.61)	(42.25)
Sale of fixed assets	62.68	666.18
Interest received	606.27	646.35
Bank Deposit	(1,481.00)	-
Net cash (used in)/ generated from investing activities - B	(817.65)	1,270.28
C Cash flow from financing activities		
Proceeds from issue of share capital	-	-
(Repayment)/ Proceeds from unsecured loan*	(15,559.68)	(80,362.19)
Interest paid	(3,962.62)	(18,525.93)
Net cash (used in)/ generated from financing activities - C	(19,522.30)	(98,888.12)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(33,359.54)	21,412.31
Cash and cash equivalent as at the beginning of the year	39,566.20	18,153.90
Cash and cash equivalent as at the end of the year (refer note 8)	6,206.66	39,566.20

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

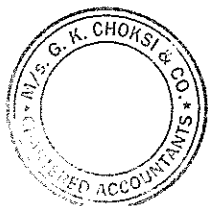
This is the Cash Flow Statement referred to in our report of even date.

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

Rohit K Choksi
Rohit K Choksi

Partner
Membership No: 31103

Place: Ahmedabad
Date: May 21, 2021



For and on behalf of the Board of Directors

Rajesh Mendon
Rajesh Mendon
EXECUTIVE DIRECTOR and
Chief Financial Officer

DIN : 07627485

Rajeev Khandal
Rajeev Khandal
Non Executive Director

DIN:07340336

Place: Mumbai
Date: May 21, 2021



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

Cash Flow Statement (continued)

Change in liabilities arising from financing activities

Particulars	April 01, 2020	Cash flows	Amount expensed in P & L Statement	March 31, 2021
Borrowings other than debt securities	26,731.91	(19,522.30)	4,167.60	11,377.22
Total liabilities from financing activities	26,731.91	(19,522.30)	4,167.60	11,377.22

Particulars	April 01, 2019	Cash flows	Amount expensed in P & L Statement	March 31, 2020
Borrowings other than debt securities	1,07,496.93	(98,888.12)	18,123.10	26,731.92
Total liabilities from financing activities	1,07,496.93	(98,888.12)	18,123.10	26,731.92



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1. Background and Significant Accounting policies

1.1. Background

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

The Company is a member of Multi-commodity Exchange of India Limited, National Commodity and Derivatives Exchange Limited and NCDEX e Markets Limited (formerly known as NCDEX Spot Exchange Limited). The Company has ceased to carry on broking business and exploring other trading business.

1.2. Basis of preparation of financial statements

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

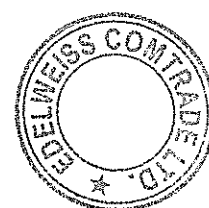
The entity has ceased its operations and does not have any business activity planned for future. The management is in the process of evaluating a plan to either merge this entity with its parent or a group company or voluntary liquidate the company on completion of any pending regulatory formalities. As of 31 March 2021, the company's current assets is sufficient to cover its current liabilities and the financial statements are prepared on a non going concern basis.

The financial statements are presented in Indian Rupees (INR) except when otherwise indicated.

1.2.1 Estimation of uncertainties relating to the global health pandemic from COVID-19

The outbreak of COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. The pandemic and its consequent adverse effect on the economy also adversely impacted the financial markets.

In preparing these financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments as at March 31, 2021 based on estimate of the future results and various internal and external information available up to the date of approval of these financial statements. The estimates as at the date of approval of these financial results may differ based on the ongoing impact of the pandemic and the timing of the improvement in the economy and the financial markets, but would not affect the entity materially.



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.3. Presentation of financial statements

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

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

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

1.4. Recognition of Interest

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

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).

1.5 Financial Instruments

a) Date of recognition

Financial assets and financial liabilities, with the exception of borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.5 Financial Instruments(continued)

by regulation or convention in the market place. The Company recognises borrowings when funds are available for utilisation to the Company.

b) Initial measurement of financial instruments.

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

c) Day 1 profit or loss

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

1.6 Classification of financial instruments

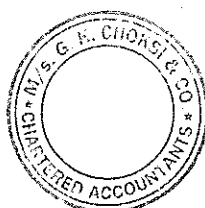
a) Financial assets:

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

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

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

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.6 Classification of financial instruments(continued)

Sale that occur for below reason are considered as consistent with business model whose objective is to hold financial assets in order to collect contractual cash flows

- if those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).
- If such sales are made close to maturity of financial asset and proceeds from sale approximate the collection of the remaining contractual cashflow
Selling a financial asset because of significant increase in credit risk.

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

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

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

i. Amortized cost and Effective interest method

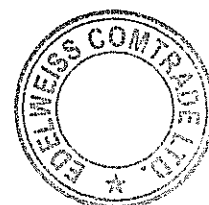
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees 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.

ii. Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.6 Classification of financial instruments(continued)

to be measured at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

b) Financial liabilities

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

Debt securities and other borrowed funds

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

c) Financial 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.

1.7 Reclassification of financial assets and financial liabilities

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

1.8 Derecognition of financial assets and financial liabilities

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

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.8 Derecognition of financial assets and financial liabilities(continued)

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

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

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

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.

1.8.3 Derecognition of financial liabilities

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

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.9 Impairment of financial assets

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

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

1.10 Collateral valuation

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

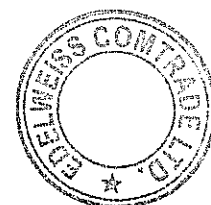
To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models.

1.11 Write off

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

1.12 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.



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.12 Determination of fair value(continued)

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

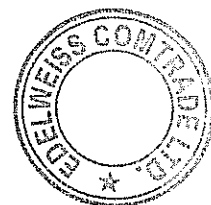
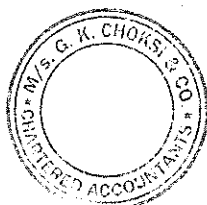
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.12 Determination of fair value(continued)

estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

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

1.13 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.

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

1.14 Operating leases

1.14.1 Accounting policy applicable from 1 April 2019

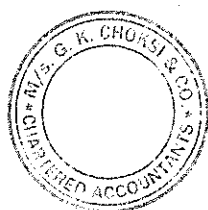
Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.

1.14.2 Company as a lessee:

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

1.14.3 Measurement and recognition

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.14 Operating leases(continued)

measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero

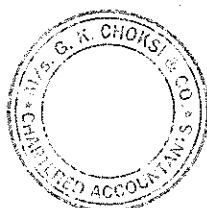
1.14.1 Short term lease

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

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

1.14.2 Company as lessor:

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.15 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 share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.16 Retirement and other employee benefit

a) 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.

b) Gratuity

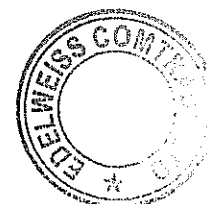
The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted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

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

Remeasurements are not reclassified to profit or loss in subsequent periods

c) 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.



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

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

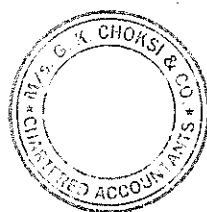
1.18 Property, plant and equipment

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

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

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

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.18 Property, plant and equipment(continued)

Estimated useful lives of the assets are as follows:

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

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

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

1.19 Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangibles such as software is amortised over a period of 3 years or its estimated useful life whichever is shorter.

1.20 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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.20 Impairment of non-financial assets(continued)

impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

1.21 Cash and cash equivalents

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

1.22 Provisions and other contingent liabilities

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

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

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

1.23 Income tax expenses

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

a) Current tax

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.23 Income tax expenses(continued)

b) Deferred tax

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

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

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

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

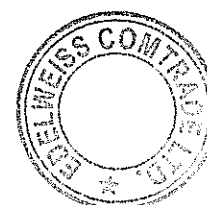
The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

c) Current and deferred tax for the year

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



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.24 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1.23, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

1.25 Critical judgements in applying accounting policies

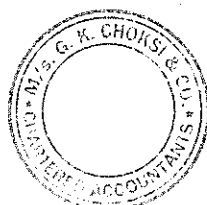
The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets

1.26 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that



Edelweiss Comtrade Limited

Notes to the financial statements

for the year ended 31 March 2021

1.26 Key sources of estimation uncertainty(continued)

are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

1.26.1 Impairment of financial assets

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

1.26.2 Accounting for deferred taxes

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

1.27 Standards issued but not yet effective

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



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

2a Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2021	
Furniture and Fixtures	31.03	-	31.03	-	18.42	2.74	21.15	-	-	
Motor vehicles	-	-	-	-	-	-	-	-	-	
Office equipment	18.35	-	-	18.35	15.37	0.17	-	15.54	2.81	
Computers	1,331.11	5.61	1,001.80	334.92	1,096.83	94.35	940.93	250.25	84.67	
Total	1,380.49	5.61	1,032.83	353.27	1,130.62	97.26	962.09	265.79	87.48	

3a Property, Plant and Equipment

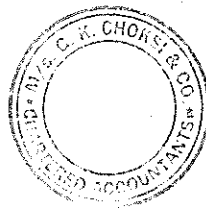
Description of Assets	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2021	
Computer software	27.33	-	-	27.33	22.33	2.99	-	25.32	2.02	
Total	27.33	-	-	27.33	22.33	2.99	-	25.32	2.02	

2b Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 1, 2019	Charge for the year	Disposals during the year	As at March 31, 2020	As at March 31, 2020	
Furniture and Fixtures	31.03	-	-	31.03	14.01	4.40	-	18.42	12.61	
Motor vehicles	389.80	-	389.79	-	212.90	50.31	263.22	-	-	
Office equipment	18.35	-	-	18.35	12.90	2.48	-	15.37	2.98	
Computers	1,448.44	42.25	159.59	1,331.11	897.30	334.54	135.01	1,096.83	234.28	
Total	1,887.62	42.25	549.38	1,380.49	1,137.10	391.73	398.23	1,130.62	249.88	

3b Property, Plant and Equipment

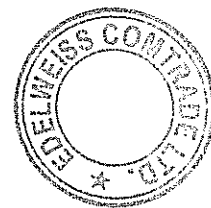
Description of Assets	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2019	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 1, 2019	Charge for the year	Disposals during the year	As at March 31, 2020	As at March 31, 2020	
Computer software	27.33	-	-	27.33	17.24	5.09	-	22.33	5.01	
Total	27.33	-	-	27.33	17.24	5.09	-	22.33	5.01	



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

(Currency: Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
4 Other financial assets		
Security deposits	3,000.00	3,500.00
Other deposits	-	70.00
	<u>3,000.00</u>	<u>3,570.00</u>
5 Deferred tax assets		
Provision on expected credit losses	-	1,381.34
Difference between book and tax depreciation (including intangibles)	228.41	282.08
Provision for compensated absences	0.76	53.38
Others (Preliminary expenses)	26.68	96.02
	<u>255.84</u>	<u>1,812.81</u>
6 Non Current tax assets (net)		
Advance income taxes	1,975.49	2,778.15
	<u>1,975.49</u>	<u>2,778.15</u>
7 Other non current assets		
Contribution to gratuity fund (net) (non-current)	36.00	1,121.00
	<u>36.00</u>	<u>1,121.00</u>

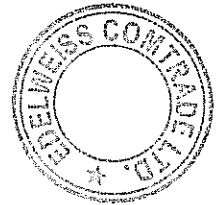


Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
8 Trade receivables		
Receivables considered good	-	7,223.99
Receivables considered good - Unsecured	4.88	198.59
Receivables - Credit impaired	-	5,488.46
	<u>4.88</u>	<u>12,911.03</u>
Less : Allowance for expected credit losses	-	5,488.46
	<u>4.88</u>	<u>7,422.57</u>



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

8 Trade receivables (continued)

Reconciliation of impairment allowance on trade receivables:

Particulars

Impairment allowance measured as per simplified approach

Impairment allowance as on April 01, 2019	21,111.61
Add: asset originated or acquired (net)	(15,623.16)
Impairment allowance as on March 31, 2020	5,488.46
Add: asset originated or acquired (net)	(5,488.46)
Impairment allowance as on March 31, 2021	-

Provision matrix for trade receivables

Trade receivables days past due	1-90 days	91-180 days	more than 180 days	Total
March 31, 2021				
Estimated total gross carrying amount at default	-	-	4.88	4.88
ECL - Simplified approach	-	-	-	-
Net carrying amount	-	-	4.88	4.88
March 31, 2020				
Estimated total gross carrying amount at default	-	-	12,911.03	12,911.03
ECL - Simplified approach	-	-	5,488.46	5,488.46
Net carrying amount	-	-	7,422.57	7,422.57



Edelweiss Comtrade LimitedNotes to the financial statements *(Continued)*

(Currency: Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
9 Cash and cash equivalents		
Balances with banks		
- in current accounts	6,206.66	39,566.20
	<u>6,206.66</u>	<u>39,566.20</u>
10 Other bank balances		
- Accrued interest on fixed deposits	137.54	57.14
Fixed deposits (refer note 38)	-	-
- Short term deposits with banks	10,981.00	9,500.00
	<u>11,118.54</u>	<u>9,557.14</u>
11 Loans		
<i>Unsecured</i>		
<i>(At amortised cost, unsecured, within India)</i>		
Employee Loans - Gross carrying amount	155.21	76.76
Less: Provision for Restructured Advance	(155.21)	-
	<u>-</u>	<u>76.76</u>



Edelweiss Comtrade Limited

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

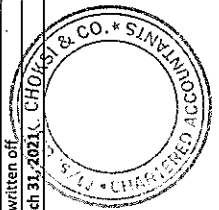
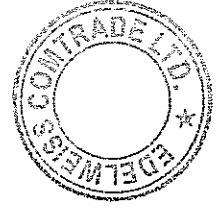
11. Gross carrying amount of loan assets allocated to Stage 1, Stage 2, Stage 3.

Particulars	31-Mar-21			31-Mar-20				
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Loans (at amortised cost)								
Performing								
High grade				-				-
Standard grade			155.21	155.21			231.97	231.97
Substandard grade								
Non-performing impaired								
Total	-	155	155	155	-	-	231.97	231.97

Reconciliation of changes in gross carrying amount and allowances for expected credit loss

Particulars	Non-credit impaired			Credit impaired		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
As at April 01, 2019	244.67					
Transfers:	(244.67)			155.21		
Transfers to 12 Month ECL (Stage 1)			244.67			
Transfers to lifetime ECL (Stage 2)						
Transfers to lifetime ECL- Credit impaired (Stage 3)			244.67	155.21		
Net new and further lending/ (repayments)	(244.67)					
Amounts written off (net)	(12.71)					
As at March 31, 2020	(12.71)		244.67	155.21		
Check (hide while taking print)						

Particulars	Non-credit impaired			Credit impaired		
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III
As at April 01, 2020	(12.71)					
Transfers:	12.71					
Transfers to 12 Month ECL (Stage 1)						
Transfers to lifetime ECL (Stage 2)						
Transfers to lifetime ECL- Credit impaired (Stage 3)						
Net re-measurement of ECL arising from transfer of (stage 1)	12.71		(12.71)			
Net new and further lending/ repayments			(76.76)			
Amounts written off						
As at March 31, 2021	-	-	155.21	155.21	-	-



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

(Currency: Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
12 Other financial assets		
Receivable from exchange / clearing house	260.49	5.00
Receivable from exchange / clearing house (net)	-	1,571.00
Interest receivable-Accrued & not due - group company-Margin	-	0.01
Other assets	-	612.10
Advances recoverable in cash or in kind or for value to be received	278.72	4,183.30
	<u>539.21</u>	<u>6,371.41</u>
13 Current tax assets (net)		
Advance income taxes	8,129.30	6,825.76
	<u>8,129.30</u>	<u>6,825.76</u>
14 Other current assets (Unsecured Considered good, unless stated otherwise)		
Input tax credit	5,793.06	4,815.82
Prepaid expenses	19.37	-
Vendor Advances	-	-
Advances recoverable in cash or in kind or for value to be received	-	-
Advances to employees	-	-
	<u>5,812.43</u>	<u>4,815.82</u>



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
15 Equity share capital		
Authorised :		
29,000,000 (Previous year: 29,000,000) equity shares of ` 10 each	2,90,000.00	2,90,000
	<u>2,90,000.00</u>	<u>2,90,000</u>
Issued, subscribed and paid up:		
29,000,000 (Previous year: 29,000,000) equity shares of ` 10 each	2,90,000.00	2,90,000
	<u>2,90,000.00</u>	<u>2,90,000</u>

a. Movement in share capital :

	March 31, 2021		March 31, 2020	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	2,90,00,000	2,90,000.00	2,90,00,000	2,90,000
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>2,90,00,000</u>	<u>2,90,000.00</u>	<u>2,90,00,000</u>	<u>2,90,000</u>

b. Terms/rights attached to equity shares :

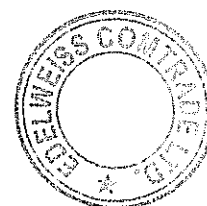
The Company has only one class of equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of 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

	As at March 31, 2021		As at March 31, 2020	
	No. of shares	%	No. of shares	%
Edelweiss Rural & Corporate Services Limited, the holding company and its nominees	2,90,00,000	100%	2,90,00,000	100%
	<u>2,90,00,000</u>	<u>100%</u>	<u>2,90,00,000</u>	<u>100%</u>

	As at March 31, 2021	As at March 31, 2020
16 Reserves and surplus		
Deemed capital contribution - ESOP	2,514.15	2,514.15
Add : Additions during the year	-	-
	<u>2,514.15</u>	<u>2,514.15</u>
Opening Balance	(2,58,722.22)	(2,56,327.77)
Add: Profit for the year	(15,062.64)	1,339.55
Add: IND AS adjustment	-	-
Add: Other comprehensive income for the year	(2,475.00)	(3,734.00)
Add: Transaction with shareholders in capacity as such	-	-
Amount available for appropriation	<u>(2,76,259.85)</u>	<u>(2,58,722.22)</u>
	<u>(2,73,745.72)</u>	<u>(2,56,208.08)</u>

Note 1 : Certain of the company's employees have been granted options to acquire equity shares of the Ultimate Parent Company (Edelweiss Financial Services Limited). This reserve represents the cost of these options based on their fair value at the grant dates as recognised over the vesting period of such options, to the extent that the Ultimate Parent Company has not recovered such cost from the Company.

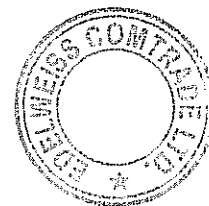


Edelweiss Comtrade Limited

Notes to the financial statements *(Continued)*

(Currency: Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
17 Provisions		
Compensated absences	8.46	-
	<u>8.46</u>	<u>-</u>
18 Borrowings (other than debt securities)		
Unsecured		
<i>(at amortised cost, unsecured within India)</i>		
Loan from related parties (repayable on demand at interest rate ranging 11.75% to 11.55% (Previous year 11.60% to 11.75%))	11,377.22	26,731.91
	<u>11,377.22</u>	<u>26,731.91</u>



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

(Currency: Indian rupees in thousands)

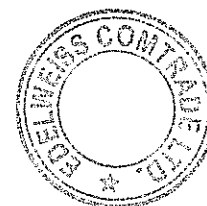
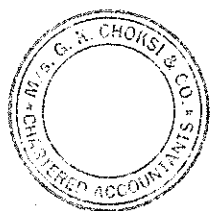
	As at March 31, 2021	As at March 31, 2020
19 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	8,995.96	18,578.99
 (Includes sundry creditor ,provision for expenses and customer payables)	<u>8,995.96</u>	<u>18,578.99</u>
20 Other financial liabilities		
Other payables	492.15	3,796.22
Book overdraft	-	-
Accrued salaries and benefits	2.00	98.83
	<u>494.15</u>	<u>3,895.05</u>
21 Other current liabilities		
Withholding taxes, Goods and service tax and other taxes payable	34.76	962.55
	<u>34.76</u>	<u>962.55</u>
22 Provisions		
Compensated absences	3.00	212.09
	<u>3.00</u>	<u>212.09</u>



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

(Currency: Indian rupees in thousands)

	for the year ended March 31, 2021	for the year ended March 31, 2020
23 Fee income		
Income from Commodities Broking	-	61,589.88
Advisory and other fees	-	80.76
	<u>-</u>	<u>61,670.65</u>
Below is the segregation of the revenue from contracts with customers:		
Service transferred at a point in time	-	61,670.65
Total revenue from contract with customers	<u>-</u>	<u>61,670.65</u>
24 Interest Income		
On financial assets measured at amortised cost		
Interest income on margin with brokers	-	17,493.59
Interest income on fixed deposits	686.67	653.17
Interest Income - Others	-	-
	<u>686.67</u>	<u>18,146.76</u>
25 Other operating revenue		
Delayed payment charges	-	(579.83)
	<u>-</u>	<u>(579.83)</u>
26 Other income		
Profit on sale of fixed assets (net)	-	515.03
Miscellaneous income	4,669.11	4,659.71
	<u>4,669.11</u>	<u>5,174.74</u>



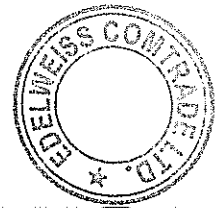
Edelweiss Comtrade Limited
Notes to the financial statements (Continued)

(Currency: Indian rupees in thousands)

	for the year ended March 31, 2021	for the year ended 31 March 2020
27 Employee benefit expenses		
Salaries and wages	2,712.65	20,796.16
Contribution to provident and other funds	86.01	906.80
Staff welfare expenses	73.76	702.43
	<u>2,872.42</u>	<u>22,405.39</u>
28 Finance costs		
On financial liabilities measured at amortised cost		
Interest on loan from holding company	4,167.60	18,123.10
Financial and bank charges	(1.69)	-
Interest - others	-	0.60
	<u>4,165.91</u>	<u>18,123.70</u>
29 Impairment on financial instruments		
On financial instruments measured at amortised cost		
Bad- debts and advances written off	7,582.72	17,017.36
Provision for restructured assets	-	605.21
Provision for expected credit loss on trade receivables	(5,488.46)	(15,623.16)
	<u>2,094.27</u>	<u>1,999.41</u>

27.1 Employee stock option plans

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



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in thousands)

	for the year ended March 31, 2021	for the year ended 31 March 2020
30 Other expenses		
Advertisement and business promotion	-	14.14
Auditors' remuneration (refer note below)	397.00	370.00
Communication	358.00	1,492.47
Computer expenses	18.82	146.46
Computer software	61.60	369.11
Clearing and custodian charges	75.00	50.00
Insurance	18.46	111.51
Legal and professional fees	1,153.41	2,270.91
Loss on sale of of fixed assets	8.08	-
Membership and subscription	0.05	9.79
Office expenses	519.52	13,456.00
Postage and courier	0.45	-
Printing and stationery	-	(42.49)
Rates and taxes	7.50	26.69
Rent (refer note 38.2 (c))	1,071.39	6,140.94
Repairs and maintenance	17.94	1,035.33
ROC expenses	-	4.82
Goods and service tax expenses	8.76	45.97
Site related expenses	-	5,519.12
Stock exchange expenses	48.08	1,877.06
Travelling and conveyance	432.41	1,803.92
Warehousing charges	0.07	1.23
Miscellaneous expenses	5,424.04	1,356.51
Operating losses	-	230.88
Other Expenses	8.01	45.06
	9,628.60	36,335.41
30.1 Auditors' remuneration:		
As Auditors	397.00	370.00
	397.00	370.00



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

31 Income Tax

The components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

Particulars	March 31, 2021	March 31, 2020
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	(637)
Deferred tax relating to origination and reversal of temporary differences	1,556.97	4,450
Total tax charge	1,556.97	3,812
Current tax	-	(637)
Deferred tax	1,556.97	4,450

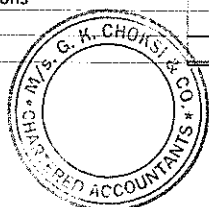
31a Reconciliation of total tax charge

Particulars	March 31, 2021	March 31, 2020
Accounting profit before tax as per financial statements	(13,505.67)	5,151.57
Tax rate (in percentage)	0.25	0.25
Income tax expense calculated based on this tax rate	(3,398.03)	1,296.13
Adjustment in respect of current income tax of prior years	-	(637.49)
Effect of non-deductible expenses:		
Others	539.23	(960.89)
Effect of non-recognition of deferred tax asset on current-period losses	5,038.48	3,913.88
Impact of tax rate changes (between two accounting periods)		200.39
Others	(622.71)	-
Tax charge for the year recorded in P&L	1,556.97	3,812.52

31b The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Movement for the year ended March 31, 2021				
	Opening deferred tax asset as per Ind AS	Recognised in Statement of profit & loss	Recognised in other comprehensive income	Total movement	Closing deferred tax asset / as per Ind AS
Deferred taxes in relation to:					
Property, Plant and Equipment and Intangibles	282.08	(31.17)		(31.17)	250.91
Trade receivables	1,381.34	(1,381.34)		(1,381.34)	-
Employee benefits obligations	53.38	(53.38)		(53.38)	0.00
Others	96.02	(69.34)		(69.34)	26.68
Total	1,812.81	(1,535.22)	-	(1,535.22)	277.59

	Movement for the year ended March 31, 2020				
	Opening deferred tax asset as per Ind AS	Recognised in Statement of profit & loss	Recognised in other comprehensive income	Total movement	Closing deferred tax asset as per Ind AS
Deferred taxes in relation to:					
Property, Plant and Equipment and Intangibles	439.00	(156.93)		(156.93)	282.08
Trade receivables	5,489.02	(4,107.68)		(4,107.68)	1,381.34
Employee benefits obligations	108.23	(54.85)		(54.85)	53.38
Others	226.08	(130.05)		(130.05)	96.02
Total	6,262.33	(4,449.51)	-	(4,449.51)	1,812.81



Edelweiss Comtrade Limited

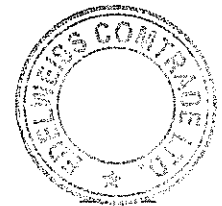
Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

31c Details of temporary differences where deferred tax assets have not been recognised in the balance sheet

As at March 31, 2021 Financial Year to which the loss relates to	Unused tax losses				Total Amount
	Unabsorbed Depreciation		Business Loss/ Short term capital loss		
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	
2015-16	868.62	No expiry	2,22,309.03	2023-24	2,23,177.65
2016-17	818.56	No expiry	66,023.01	2024-25	66,841.58
2017-18	705.30	No expiry	49,286.65	2025-26	49,991.95
2018-19	727.59	No expiry	25,767.72	2026-27	26,495.31
2019-20	459.19	No expiry	15,090.19	2027-28	15,549.38
2020-21	320.50	No expiry	19,493.13	2028-29	19,813.63
Total	3,899.76		3,97,969.73		4,01,869.49

As at March 31, 2020 Financial Year to which the loss relates to	Unused tax losses				Total Amount
	Unabsorbed Depreciation		Business Loss/ Short term capital loss		
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	
2015-16	868.62	No expiry	2,22,309.03	2023-24	2,23,177.65
2016-17	818.56	No expiry	66,023.01	2024-25	66,841.58
2017-18	705.30	No expiry	49,286.65	2025-26	49,991.95
2018-19	727.59	No expiry	25,767.72	2026-27	26,495.31
2019-20	459.19	No expiry	15,090.19	2027-28	15,549.38
Total	3,579.26		3,78,476.60		3,82,055.86



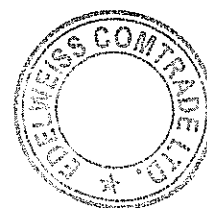
Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

32 Earnings Per Share

Particulars	March 31, 2021	March 31, 2020
a. Shareholders earnings (as per Statement of Profit and loss)	(15,062.64)	1,339.55
b. Calculation of Weighted average number of equity shares		
Number of Shares at the beginning of year	29,000.00	29,000.00
Number of Shares issued during the year	-	-
Total no of equity shares outstanding at the end of the year dilution	<u>29,000.00</u>	<u>29,000.00</u>
Basic earnings per share	(0.52)	0.05
Diluted earnings per share	(0.52)	0.05



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

33. Disclosure pursuant to Ind AS 19 - Employee benefits

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

Amount of Rs. 1,65,226 (Previous year: Rs. 10,31,803) is recognized as expenses in "Employee benefit expenses" – Note 25 in the statement of profit and loss

(b) Defined benefit plans (Gratuity)

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

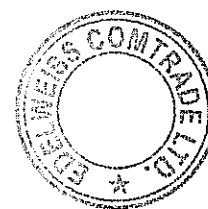
	March 31, 2021	March 31, 2020
Present Value of DBO at Start of the year	1,382.00	4,785.00
<i>Service Cost</i>		
a. Current Service Cost	13.00	187.00
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Interest Cost	33.00	78.00
Benefits Paid	(522.00)	(118.00)
<i>Re-measurements</i>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	2.00	3.00
b. Actuarial Loss/(Gain) from changed in financials assumptions	2.00	63.00
c. Actuarial Loss/(Gain) from experience over last past year	15.00	11.00
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Transfer (Out)	(778.00)	(3,627.00)
Present Value of DBO at end of the year	147.00	1,382.00

Reconciliation of Fair Value of Plan Asset

	March 31, 2021	March 31, 2020
Fair Value of Plan Assets at start of the year	10,267.00	10,197.00
Contributions by Employer	522.00	-
Benefits Paid	(522.00)	(118.00)
Interest Income Plan Assets	563.00	679.00
<i>Re-measurements</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability/ (asset)	1,320.00	(491.00)
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Fair Value of Plan Assets at end of the year	12,150.00	10,267.00
Actual Return on Plan Assets	1,883.00	188.00
Expected Employer Contributions for the coming year	-	-

Reconciliation of Asset ceiling

	March 31, 2021	March 31, 2020
Assets ceiling at start of the year	7,764.00	4,309.00
Interest Income on Assets ceiling	427.00	289.00
<i>Re-measurements</i>		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	3,776.00	3,166.00
Assets ceiling at end of the year	11,967.00	7,764.00



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

Expenses recognised in the Profit and Loss Account

	March 31, 2021	March 31, 2020
<i>Service Cost</i>		
a. Current Service Cost	13.00	187.00
b. Past Service Cost	-	-
c. Loss/(Gain) from Settlement	-	-
Net Interest on net defined benefit liability / (asset)	(103.00)	312.00
Changes in foreign exchange rate	-	-
Employer Expenses	(90.00)	(125.00)

Net Liability / (Asset) recognised in the Balance sheet

	March 31, 2021	March 31, 2020
Present Value of DOB	147.00	1,382.00
Fair Value of Plan Assets	12,150.00	10,267.00
Liability / (Asset) recognised in the Balance Sheet	(12,003.00)	(8,885.00)
Funded Status [Surplus/ (Deficit)]	12,003.00	8,885.00
Less: Amount not recognized as asset [Effect of limiting net assets to asset ceiling]	11,967.00	7,764.00
Net (Liability)/ Asset recognised in the Balance Sheet	36.00	1,121.00
Of which, Short term Liability	-	-
Experience Adjustment on Plan Liabilities:(Gain)/Loss	15.00	11.00

Percentage Break-down of Total Plan Assets:

	March 31, 2021	March 31, 2020
Equity instruments	0.00%	0.00%
Debt instruments	0.00%	0.00%
Real estate	0.00%	0.00%
Derivatives	0.00%	0.00%
Investment Funds with Insurance Company	99.51%	99.50%
Of which, Unit Linked	73.95%	72.70%
Of which, Traditional/ Non-Unit Linked	25.56%	28.60%
Asset-backed securities	0.00%	0.00%
Structured debt	0.00%	0.00%
Cash and cash equivalents	0.49%	0.50%
Total	100.00%	100.00%

Actuarial assumptions:

	March 31, 2021	March 31, 2020
Salary Growth Rate (% p.a.)	7.00%	7% p.a
Discount Rate (% p.a.)	5.00%	5.5% p.a
Withdrawal Rate (% p.a.)	25.00%	-
Senior	0.00%	13% p.a
Middle	0.00%	30% p.a
Junior	0.00%	50% p.a
Mortality	0.00%	-
Interest Rate on Net DBO/ (Asset) (% p.a.)	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Expected Weighted Average Remaining Working Life (years)	3.00	2 Years



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

Movement in Other Comprehensive Income:

	March 31, 2021	March 31, 2020
Balance at start of year (Loss)/ Gain	(4,076.00)	342.00
<i>Re-measurements on DBO</i>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	(2.00)	(3.00)
b. Actuarial Loss/(Gain) from changed in financials assumptions	(2.00)	(63.00)
c. Actuarial Loss/(Gain) from experience over last past year	(15.00)	(11.00)
<i>Re-measurements on Plan Assets</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	1,320.00	(491.00)
<i>Re-measurements on Asset Ceiling</i>		
Changes in the effect of limiting a net defined benefit asset to the asset ceiling excluding amount included in net interest on the net defined benefit liability/ (asset)	(3,776.00)	(3,166.00)
Balance at end of year (Loss)/ Gain	(6,551.00)	(4,076.00)

Sensitivity Analysis:

DOB increases / (decreases) by	March 31, 2021	March 31, 2020
1 % Increase in Salary Growth Rate	6.00	54.00
1 % Decrease in Salary Growth Rate	(6.00)	(51.00)
1 % Increase in Discount Rate	(6.00)	(51.00)
1 % Decrease in Discount Rate	6.00	56.00
1 % Increase in Withdrawal Rate	Negligible change	(3.00)
1 % Decrease in Withdrawal Rate	Negligible change	3.00
Mortality (Increase in expected lifetime by 1 year)	Negligible change	Negligible change
Mortality (Increase in expected lifetime by 3 year)	Negligible change	Negligible change

Movement in Net (Liability)/ Asset:

	March 31, 2021	March 31, 2020
Net (Liability)/ Asset at start of year	1,121.00	1,103.00
Net (Acquisition) / Divestiture	-	-
Net Transfer (In)/ Out	778.00	3,627.00
<i>Movement during the year</i>		
Current Service Cost	(13.00)	187.00
Past Service Cost	-	-
Net Interest on net DBO	103.00	312.00
Changes in foreign exchange rate	-	-
Re-measurements	(2,475.00)	3,734.00
Contributions / Benefits	522.00	-
Surplus / (Deficit) at end of year	36.00	1,121.00



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

34 Maturity analysis of assets and liabilities

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

Particulars	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	6,206.66	-	6,206.66	39,566.20	-	39,566.20
Other bank balances	11,118.54	-	11,118.54	9,557.14	-	9,557.14
Trade receivables	4.88	-	4.88	7,422.57	-	7,422.57
Loans	-	-	-	76.76	-	76.76
Other financial assets	3,539.21	-	3,539.21	9,941.41	-	9,941.41
	20,869.28	-	20,869.28	66,564.08	-	66,564.08

Non-financial assets

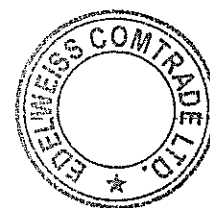
Current tax assets (net)	1,975.49	8,129.30	10,104.79	2,778.15	6,825.76	9,603.91
Deferred tax assets (net)	255.84	-	255.84	-	1,812.81	1,812.81
Property, plant and equipment	87.47	-	87.47	-	249.88	249.88
Other intangible assets	2.02	-	2.02	-	5.01	5.01
Other non-financial assets	5,848.43	-	5,848.43	4,815.82	1,121.00	5,936.82
	8,169.25	8,129.30	16,298.55	7,593.98	10,014.46	17,608.43
Total assets	29,038.53	8,129.30	37,167.84	74,157.55	10,014.46	84,172.50

Particulars	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Trade payables	8,995.96	-	8,995.96	18,578.99	-	18,578.99
Borrowing (other than debt securities)	11,377.22	-	11,377.22	26,731.91	-	26,731.91
Other financial liabilities	494.15	-	494.15	3,895.05	-	3,895.05
	20,867.33	-	20,867.33	49,205.95	-	49,205.95

Non-financial liabilities

Current tax liabilities (net)	-	-	-	-	-	-
Provisions	3.00	8.46	11.46	212.59	-	212.59
Other non-financial liabilities	34.76	-	34.76	962.53	-	962.53
	37.76	8.46	46.23	1,175.12	-	1,175.12
Total liabilities	20,905.09	8.46	20,913.55	50,381.08	-	50,381.08

34A With respect to financial instruments not measured at fair value, their carrying amounts approximates fair value



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

35 Contingent liabilities, Capital and other commitments

a. Legal claims

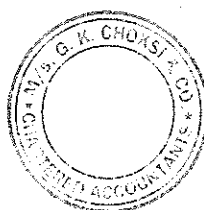
The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent in its operations. As a result, the Company is involved in various litigation, arbitration and regulatory proceedings in the ordinary course of its business. The Company has formal controls and policies for managing legal claims. Based on professional legal advice, the Company provides and/or discloses amounts in accordance with its accounting policies. At year end, the Company had several unresolved legal claims however individually any of the claim is not material. The aggregate value of claim against the Company is Rs. 25,43,598.

b. Contingent liabilities

Particulars	March 31, 2021	March 31, 2020
(a) Claims against the Group not acknowledged as debt	2,543.60	2,040.38
(b) Taxation matters	8,903.43	8,903.43

c. Capital and other commitments

Capital commitments - Estimated amount of contracts remaining to be executed on capital account and not provided for - Rs. Nil (Previous year : Rs. Nil.)



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

36 Related Party Transactions

(Currency: Indian rupees in thousands)

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

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

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

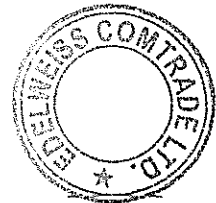
(b) Fellow subsidiaries with whom transactions have taken place during the period:

EC Commodity Limited
Ecap Equities Limited
ECL Finance Limited
Edelweiss Broking Limited
Edelweiss Custodial Services Limited
Edelweiss Global Wealth Management Limited
Edelweiss Housing Finance Limited
Edelweiss Securities Limited
Edelweiss Securities (IFSC) Limited
Edelweiss Asset Management Limited
Edelweiss Insurance Brokers Limited
Edelweiss Finance and Investments Limited

(*) Edel Commodities 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 and Edelweiss Business Services Limited, have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd). Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged are considered to be transacted with Edelweiss Rural & Corporate Services Limited and disclosed accordingly

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

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



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

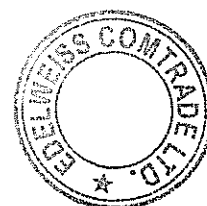
For the year ended March 31, 2021

(Currency : Indian rupees)

Transactions with related parties :

(Amount In Rs.)

Sr. No.	Nature of Transaction	Related Party Name	For the Year ended March 31, 2021	For the year ended March 31, 2020
	Current account transactions			
1	Short term loans taken from (Max credit)	Edelweiss Rural & Corporate Services Limited	26,600.15	3,50,618.63
2	Short term loans repaid to (Max Debit)	Edelweiss Rural & Corporate Services Limited	34,000.00	4,47,500.00
3	Short term loans taken from(max outstanding)	Edelweiss Rural & Corporate Services Limited	-	4,17,094.18
4	Short term loans repaid to (Max outstanding)	Edelweiss Rural & Corporate Services Limited	-	4,97,456.38
5	Short term loans taken from (Aggregate of credit)	Edelweiss Rural & Corporate Services Limited	50,929.66	17,278.42
6	Short term loans repaid to (Aggregate of debit)	Edelweiss Rural & Corporate Services Limited	66,489.34	81,400.00
7	Margin placed with	Edelweiss Custodial Services Limited	1,216.65	2,01,093.86
8	Margin withdrawn from	Edelweiss Custodial Services Limited	961.13	6,32,651.74
9	Income from Commodities Broking	Ecap Equities Limited	-	34,818.79
10	Business Service Charges Income recovered from	Edelweiss Broking Limited	-	9.81
		Edelweiss Housing Finance Limited	-	5.45
		Edelweiss Asset Management Limited	-	1.09
11	Interest paid on loan	Edelweiss Rural & Corporate Services Limited	4,167.60	18,123.10
12	Interest income on Margin	Edelweiss Custodial Services Limited	-	17,493.60
13	Clearing charges paid to	Edelweiss Custodial Services Limited	-	50.00
14	Reimbursement received from	Edelweiss Broking Limited	805.00	-
15	Cost reimbursement paid to	ECL Finance Limited	0.16	-
		Edelweiss Financial Services Limited(Formerly ECL)	271.32	642.81
		Edelweiss Securities Limited	2.95	32.64
		Edelweiss Rural & Corporate Services Ltd. Employees	312.57	-
		Ecap Equities Limited	3.18	4.60
		Edelweiss Rural & Corporate Services Limited - ECL	-	336.69
16	Rent paid to	Edelweiss Rural & Corporate Services Limited	99.31	910.89
		Ecap Equities Limited	449.04	664.62
		Edelweiss Broking Limited	10.78	3,816.62
		Edelweiss Securities Limited	-	68.50
		Edelweiss Custodial Services Limited	5.13	18.15
		ECL Finance Limited	174.69	600.18
17	Business support service charges paid to	Edelweiss Rural & Corporate Services Limited	-	13,279.10
18	Website related charges paid to	Edelweiss Rural & Corporate Services Limited	-	5,519.12
19	Fixed assets purchased from	Edelweiss Broking Limited	5.61	40.89
		Edelweiss Insurance broker Limited	-	1.36
20	Fixed assets sold to	Edelweiss Finance and Investments Limited	3.50	-
		ECL Finance Limited	-	640.00
		Edelweiss Securities Limited	1.62	-
		Edelweiss Broking Limited	57.56	26.18



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

Sr. No.	Nature of Transaction	Related Party Name	For the Year ended March 31, 2021	For the year ended March 31, 2020
Balances with related parties				
21	Equity share capital held by	Edelweiss Rural & Corporate Services Limited	2,90,000.00	2,90,000.00
22	Short term borrowings	Edelweiss Rural & Corporate Services Limited	10,972.47	26,532.15
23	Trade Payables to	Edelweiss Rural & Corporate Services Limited	-	239.15
		Ecap Equities Limited	0.01	51.38
		Edelweiss Broking Limited	-	118.55
		Edelweiss Financial Services Limited	-	32.16
		Edelweiss Securities Limited	-	0.56
		ECL Finance Limited	-	12.98
		Edelweiss Asset Management Limited	3.83	3.83
		Edelweiss Custodial Services Limited	-	2.50
		Edelweiss Housing Finance Limited	19.15	19.15
24	Other Payable	Edelweiss Rural & Corporate Services Limited	251.00	251.00
		ECL Finance Limited	-	104.00
		Edelweiss Broking Limited	-	3,309.22
		Edelweiss Securities Limited	132.17	132.00
		Edelweiss Finance and Investments Limited	108.91	-
		Edelweiss Global Wealth Management Limited	0.24	-
25	Interest accrued and due on loan taken	Edelweiss Rural & Corporate Services Limited	404.75	199.76
26	Other receivable from	Edelweiss Broking Limited	109.51	612.10
		Edelweiss Rural & Corporate Services Limited	95.20	95.00
		Edelweiss Financial Services Limited	74.22	74.22
27	Margin placed with clearing house	Edelweiss Custodial Services Limited	260.52	5.00
			-	-
			-	-

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

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

Note 3 : Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited, Edelweiss Capital Markets Limited, Edelweiss Fund Advisors & EFSL Comtrade Limited have been merged into Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd).



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupee in thousands)

37 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Group complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

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

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

Particulars	31 March 2021	31 March 2020
Total Debt	11,377.22	26,731.91
Equity	16,254.30	33,791.93
Net Debt to Equity	0.70	0.79



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

38 .Risk Management

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

Risk Management Structure

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

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

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

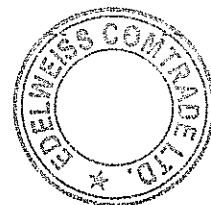
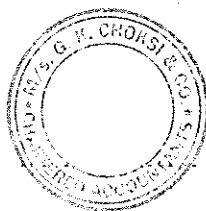
The Global Risk Group is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Group works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

Credit Risk

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of 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



Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

38 Risk Management (continued)

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

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial liabilities as at the year end.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at March 31, 2021	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Trade payables	8,995.96	-	-	-	-	8,995.96
Borrowings (other than debt securities)	11,377.22	-	-	-	-	11,377.22
Other financial liabilities	494.15	-	-	-	-	494.15
Total undiscounted non-derivative financial liabilities	20,867.33	-	-	-	-	20,867.33

As at March 31, 2020	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Trade payables	18,578.99	-	-	-	-	18,578.99
Borrowings (other than debt securities)	26,731.91	-	-	-	-	26,731.91
Other financial liabilities	3,895.05	-	-	-	-	3,895.05
Total undiscounted non-derivative financial liabilities	49,205.95	-	-	-	-	49,205.95

38 Risk Management (continued)

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

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

As at March 31, 2021	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	7,825.20	3,250.00	6,250.00	-	-	17,325.20
Trade receivables	4.88	-	-	-	-	4.88
Loans	-	-	-	-	-	-
Other financial assets	539.21	-	3,000.00	-	-	3,539.21
Total undiscounted non-derivative financial assets	8,369.28	3,250.00	9,250.00	-	-	20,869.28

As at March 31, 2020	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	> 3 years	Total
Cash and cash equivalent and other bank balances	39,623.34	3,250.00	6,250.00	-	-	49,123.34
Trade receivables	7,422.57	-	-	-	-	7,422.57
Loans	-	-	76.76	-	-	76.76
Other financial assets	4,795.41	-	1,576.00	-	3,570.00	9,941.41
Total undiscounted non-derivative financial assets	51,841.32	3,250.00	7,902.76	-	3,570.00	66,564.08



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

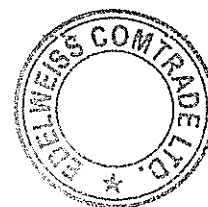
38 Risk Management (continued)

Collateral held and other credit enhancements

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

As at March 31, 2021	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans	155.21	<i>Unsecured</i>
Trade receivables (Gross)	4.88	<i>Securities, Bank Guarantee etc.</i>
Other financial assets	3,539.21	<i>Unsecured</i>
Total	3,699.29	

As at March 31, 2020	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Loans	76.76	<i>Unsecured</i>
Trade receivables (Gross)	12,911.03	<i>Securities, Bank Guarantee etc.</i>
Other financial assets	10,317.19	<i>Unsecured</i>
Total	23,304.98	



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

38 Risk Management (continued)

Analysis of Financial assets and liabilities by Industry risk concentration

Industry analysis - Risk concentration for March 31, 2021

Particulars	Financial services	Retail	Total
Financial assets			
Cash and cash equivalent and other bank balances	17,325.20		17,325.20
Trade and other receivables		4.88	4.88
Other Financial Assets	3,539.21		3,539.21
Loans	-		-
Total	20,864.90	4.88	20,869.28

Industry analysis - Risk concentration for March 31, 2020

Particulars	Financial services	Retail	Total
Financial assets			
Cash and cash equivalent and other bank balances	49,123.34		49,123.34
Trade and other receivables		7,422.57	7,422.57
Other Financial Assets	9,941.41		9,941.41
Loans	76.76		76.76
Total	59,141.51	7,422.57	66,564.08



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

38 Risk Management (continued)

Total market risk exposure

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

Particulars	March 31, 2021			March 31, 2020		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	17,325.20	-	17,325.20	49,123.34	-	49,123.34
Loans	-	-	-	76.76	-	76.76
Trade receivables	4.88	-	4.88	7,422.57	-	7,422.57
Other Financial assets	3,539.21	-	3,539.21	9,941.41	-	9,941.41
Total	20,869.28	-	20,869.28	66,564.08	-	66,564.08
Liability						
Borrowings (other than Debt Securities)	11,377.22	-	11,377.22	26,731.91	-	26,731.91
Trade payables	8,995.96	-	8,995.96	18,578.99	-	18,578.99
Other liabilities	494.15	-	494.15	3,895.05	-	3,895.05
Total	20,867.33	-	20,867.33	49,205.45	-	49,205.45



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

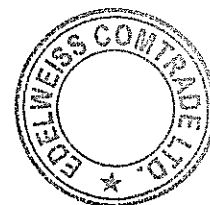
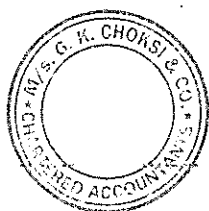
39 Following table sets out availability of Group financial assets to support funding

March 31, 2021	Pledge as collateral	Others (Note 1)	Available as collateral	Others (Note 2)	Total carrying amount
Cash and cash equivalent including bank balance	4,137.54	-	13,187.66	-	17,325.20
Trade receivables	-	-	-	4.88	4.88
loans	-	-	-	-	-
Other financial assets	-	-	278.71	3,260.49	3,539.21
Property, plant and equipment	-	-	87.47	-	87.47
Other non financial assets	-	-	-	5,848.43	5,848.43
Total assets	4,137.54	-	13,553.84	9,113.80	26,805.18

March 31, 2020	Pledge as collateral	others (Note 1)	Available as collateral	others (Note 2)	Total carrying amount
Cash and cash equivalent including bank balance	9,557.14	-	39,566.20	-	49,123.34
Trade receivables	-	-	-	7,422.57	7,422.57
loans	-	-	76.76	-	76.76
Other financial assets	-	-	9,941.41	-	9,941.41
Property, plant and equipment	-	-	249.88	-	249.88
Other non financial assets	-	-	5,936.82	-	5,936.82
Total assets	9,557.14	-	55,771.07	7,422.57	72,750.78

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

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



Edelweiss Comtrade Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

40 .Additional Disclosure on Fixed Deposit

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

41. Cost Sharing

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

42. Brokerage income is disclosed net of related (i) sub-brokerage expenses Rs. Nil (previous year Rs. 12,229.89) and (ii) stock exchange expense Rs. Nil (previous year Rs. 1734.26).

43.Details of dues to Micro enterprises and Small enterprises

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

44.Segment Information

The Company has operated only in one business segment during the year viz. Agency based business comprising of broking and advisory services. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Further, there are no geographical segments. Hence, no disclosures are required under Segment Reporting.

45.Corporate social responsibility (CSR):

As per the provisions of Section 135 of the Companies Act, 2013:

- a) Gross amount required to be spent by the Company during the year was Rs. Nil (Previous year: Rs.Nil)
b) Amount spent during the year on:

Particulars	In cash (PY)	Yet to be paid in cash	Total
Constructions / acquisition of any assets	-	-	-
On purpose other than (i) above	(Nil)	-	(Nil)

46.Previous Year Comparatives

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

For G. K. Choksi & Co.

Chartered Accountants

Firm's Registration No. 101895W


Rohit K Choksi

Partner

Membership No: 31103

For and on behalf the Board of Directors


Rajesh Mendon

Executive Director and
Chief Financial Officer

DIN : 07627485


Rajeev Khandal

Non Executive Director

DIN:07340336

Place: Ahmedabad

Date: May 21, 2021



Place: Mumbai

Date: May 21, 2021

