

**Edelweiss Trusteeship Company Limited**

**Financial Statements  
together with Auditors' Report  
for the year ended 31 March 2018**

# Edelweiss Trusteeship Company Limited

## Financial Statements together with Auditors' Report

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Trusteeship Company Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Edelweiss Trusteeship Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

Chartered Accountants

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by 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, 2018, its profit, and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;



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

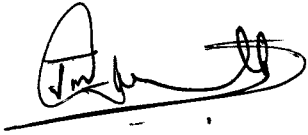
Chartered Accountants

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



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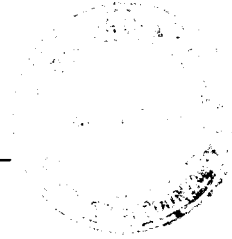
**per Jayesh Gandhi**

Partner

Membership Number: 037924

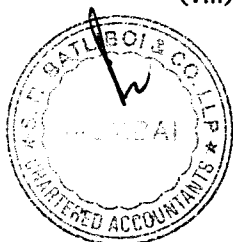
Place of Signature: Mumbai

Date: 27 April, 2018



**Edelweiss Trusteeship Company Limited****Annexure 1 referred to in paragraph 1 of Report on Legal and Regulatory requirements on our report of even date**

- (i) (a) The Company does not have any fixed assets during the year, hence the clauses (i) (a) to (i) (c) of paragraph 3 of the said Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and hence the provisions clause (ii) of paragraph 3 of the said Order are not applicable to the Company and hence not commented upon.
- (iii) (a) According to the information and explanations given to us, the Company has not granted / taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), 3 (b) and 3 (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 of the Companies Act, 2013 are not applicable to the Company since there are no loans to directors including entities in which they are interested. The Provisions of section 186 of the Companies Act 2013 in respect of loans and advances given have been complied with by the company. There are no investments made and, guarantees, and securities given that are covered within the ambit of section 186.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax, service tax, cess and other material statutory dues applicable to it. The provisions related to provident fund, employee's state insurance, investor education and protection fund, sales-tax, wealth-tax, customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to provident fund, employee's state insurance, investor education and protection fund, sales-tax, wealth-tax, customs duty and excise duty are not applicable to the Company.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax, cess and other material statutory dues which have not been deposited on account of any dispute. The provisions related to provident fund, employee's state insurance, investor education and protection fund, sales-tax, wealth-tax, customs duty and excise duty are not applicable to the Company.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks, government or debenture holders.



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

Chartered Accountants

- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

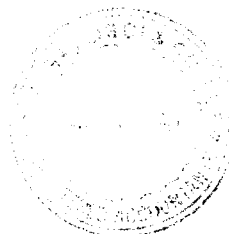
  
per **Jayesh Gandhi**

Partner

Membership No.: 037924

Place: Mumbai

Date: 27 April, 2018



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

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

We have audited the internal financial controls over financial reporting of Edelweiss Trusteeship Company Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 was established and maintained and if such controls operated effectively in all material respects.

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

**Meaning of Internal Financial Controls Over Financial Reporting**

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





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

Chartered Accountants

unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

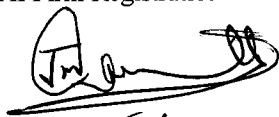
## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



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per **Jayesh Gandhi**

Partner

Membership Number: 037924

Place of Signature: Mumbai

Date: 27 April, 2018



# Edelweiss Trusteeship Company Limited

## Balance Sheet

(Currency : Indian Rupees)

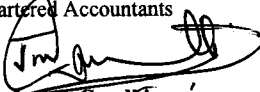
	Note	As at 31 March 2018	As at 31 March 2017
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	3	1,000,000	1,000,000
Reserves and surplus	4	2,396,394	2,393,543
		<b>3,396,394</b>	<b>3,393,543</b>
<b>Current liabilities</b>			
Trade payables	5	144,520	245,189
Other current liabilities	6	3,229	10,369
		<b>147,749</b>	<b>255,558</b>
<b>TOTAL</b>		<b>3,544,143</b>	<b>3,649,101</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Non-current investments	7	132,277	132,277
Long-term loans and advances	8	301,616	269,912
		<b>433,893</b>	<b>402,189</b>
<b>Current assets</b>			
Current investments	9	2,501,846	2,729,734
Trade receivables	10	90,003	87,504
Cash and bank balances	11	268,440	344,602
Short-term loans and advances	12	249,961	85,072
		<b>3,110,250</b>	<b>3,246,912</b>
<b>TOTAL</b>		<b>3,544,143</b>	<b>3,649,101</b>

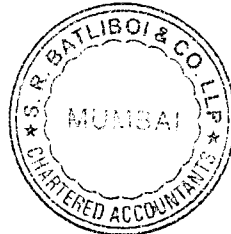
Significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date.


For S. R. Batliboi & Co. LLP  
ICAI Firm Registration No. 301003E / E300005  
Chartered Accountants


  
per Jayesh Gandhi  
Partner  
Membership No: 037924



Mumbai  
27 April 2018

For and on behalf of the Board of Directors

  
Himanshu Kaji  
Director  
DIN - 00009438

  
K. V. Hegde  
Director  
DIN - 00480795

Mumbai  
27 April 2018

# Edelweiss Trusteeship Company Limited

## Statement of Profit and Loss

(Currency : Indian Rupees)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b><u>INCOME</u></b>			
Revenue from operations	13	1,000,000	1,000,000
Other income	14	72,112	91,984
<b>Total revenue</b>		<b>1,072,112</b>	<b>1,091,984</b>
<b><u>EXPENSES</u></b>			
Other expenses	15	1,068,261	1,116,857
<b>Total expenses</b>		<b>1,068,261</b>	<b>1,116,857</b>
Profit / (Loss) before tax		3,851	(24,873)
<b><u>Tax expense</u></b>			
Current tax		1,000	32,704
<b>Total tax expense</b>		<b>1,000</b>	<b>32,704</b>
<b>Profit / (Loss) for the year</b>		<b>2,851</b>	<b>(57,577)</b>
<b>Earnings per equity share (Face value of Rs.10 (31 March 2017: Rs.10))</b>			
(1) Basic	18	0.03	(0.58)
(2) Diluted		0.03	(0.58)

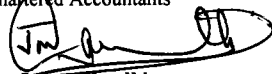
Significant accounting policies

2.1

The accompanying notes are an integral part of the financial statements

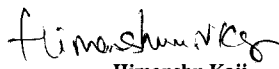
As per our report of even date.

**For S. R. Batliboi & Co. LLP**  
ICAI Firm Registration No. 301003E / E300005  
Chartered Accountants

  
per **Jayesh Gandhi**  
Partner  
Membership No: 037924

Mumbai  
27 April 2018

**For and on behalf of the Board of Directors**

  
**Himanshu Kaji**  
Director  
DIN - 00009438

  
**K. V. Hegde**  
Director  
DIN - 00480795

Mumbai  
27 April 2018

# Edelweiss Trusteeship Company Limited

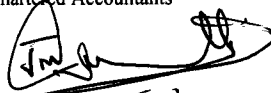
## Cash Flow Statement

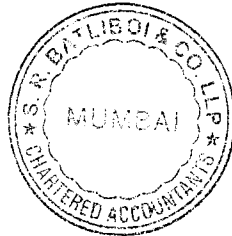
(Currency : Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Cash flow from operating activities</b>		
Profit / (Loss) before taxation	3,851	(24,873)
(Gain) / Loss on sale of investments	(72,112)	(91,984)
<b>Operating cash flow before working capital changes</b>	<b>(68,261)</b>	<b>(116,857)</b>
Add / (Less): Adjustments for working capital changes		
Increase in trade receivables	(2,499)	(417)
(Increase) / Decrease in loans and advances	(164,889)	(13,381)
Increase in liabilities and provisions	(107,809)	67,669
<b>Cash generated from operations</b>	<b>(343,458)</b>	<b>(62,986)</b>
Income tax paid	(32,704)	(99,997)
<b>Net cash generated / (used in) from operating activities - A</b>	<b>(376,162)</b>	<b>(162,983)</b>
<b>B Cash flow from investing activities</b>		
Proceeds from sale of Investments	300,000	500,000
<b>Net cash used in investing activities - B</b>	<b>300,000</b>	<b>500,000</b>
<b>C Cash flow from financing activities</b>	-	-
<b>Net cash used in financing activities - C</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(76,162)</b>	<b>337,017</b>
Cash and cash equivalents as at the beginning of the year	344,602	7,585
Cash and cash equivalents as at the end of the year (refer note 11)	268,440	344,602
Components of cash and cash equivalents		
Balance with banks on current account	268,440	344,602

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

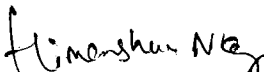
For S. R. Batliboi & Co. LLP  
ICAI Firm Registration No. 301003E / E300005  
Chartered Accountants


  
per Jayesh Gandhi  
Partner  
Membership No: 037924



Mumbai  
27 April 2018

For and on behalf of the Board of Directors

  
Himanshu Kaji  
Director  
DIN - 00009438

  
K. V. Hegde  
Director  
DIN - 00480795

Mumbai  
27 April 2018

# Edelweiss Trusteeship Company Limited

## Notes to the financial statements

### 1. Corporate Information

Edelweiss Trusteeship Company Limited ('the Company') was incorporated in India with limited liability on September 03, 2007. The Company is a subsidiary of Edelweiss Financial Services Limited, a company registered in India.

The principal object of the Company is to act as trustee for mutual funds, perform the functions and duties of a trustee, execute trusts of all kind and transact all kinds of trust, agency or fiduciary business. The Company has been appointed as the trustee of Edelweiss Mutual Fund ('the Fund'), vide a trust deed dated January 30, 2008, ('the Deed') between itself, Edelweiss Financial Services Limited ('the Settlor/ Sponsor') and Edelweiss Asset Management Limited ('the AMC').

### 2. Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Paragraph 7 of the Companies (Accounts) Rules, 2014.

#### 2.1 Significant accounting policies

##### a) Revenue recognition

- Trusteeship fees are accounted on accrual basis.
- Dividend income is recognised when the right to receive dividend is established.
- Profit/loss on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investment sold.

##### b) Investments

Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.

Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each investment. In case of investment in mutual funds, the net asset value of units declared by the mutual fund is considered as the fair value.

##### c) Tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income-Tax Act, 1961) and deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

##### Current tax

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.



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

**c) Tax (continued)**

Deferred taxation

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantially enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of these assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

**d) Current – non-current classification**

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

*Assets*

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

*Liabilities*

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

**e) Earnings per share**

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – "Earnings Per Share". Basic earnings per share is computed by dividing the net profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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



## **Edelweiss Trusteeship Company Limited**

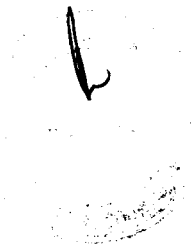
### **Notes to the financial statements (*Continued*)**

#### **f) Provisions and contingencies**

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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



# Edelweiss Trusteeship Company Limited

## Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
<b>3. Share capital</b>		
<b>Authorised :</b>		
250,000 (Previous year: 250,000) equity shares of Rs. 10 each	<u>2,500,000</u>	<u>2,500,000</u>
<b>Issued, subscribed and paid up:</b>		
100,000 (Previous year: 100,000) equity shares of Rs. 10 each, fully paid-up	<u>1,000,000</u>	<u>1,000,000</u>
<b>Total</b>	<u>1,000,000</u>	<u>1,000,000</u>

The Company has issued only one class of shares. The entire paid up share capital is held by Edelweiss Financial Services Limited, the holding company and its nominees. Each holder of equity shares is entitled to only one vote per share. In the event of liquidation of the Company, the holder 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.

<b>Details of shareholders holding more than 5% in the Company</b>	<b>No of Shares</b>	<b>% of holding</b>	<b>No of Shares</b>	<b>% of holding</b>
Equity shares of Rs. 10 each fully paid up				
Edelweiss Financial Services Limited, holding company and its nominees	100,000	100	100,000	100

### Reconciliation of the shares outstanding at the beginning and at the end of the year.

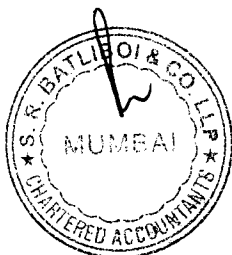
	<u>31 March 2018</u>		<u>31 March 2017</u>	
	<u>Number</u>	<u>Amount (Rs.)</u>	<u>Number</u>	<u>Amount (Rs.)</u>
Outstanding at the beginning of the year	100,000	1,000,000	100,000	1,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>100,000</u>	<u>1,000,000</u>	<u>100,000</u>	<u>1,000,000</u>

### 4. Reserves and surplus

Capital Reserve - Opening balance	132,277	132,277
Add : Additions during the year	<u>-</u>	<u>-</u>
	132,277	132,277

Capital reserve comprises an amount received, on a non-repatriable basis from the Settlor/ Sponsor, as a contribution to the Fund in accordance with the terms of the Deed, together with income earned thereon [Rs. Nil (previous year Rs. Nil)]. The amount is held by the Company in its fiduciary capacity as the trustee to the Fund and is intended to be utilised only for the purposes of settlement of claims, if any, from the unitholders of the mutual fund schemes launched by the Fund ('the Schemes').

Opening balance in statement of profit and loss	2,261,266	2,318,843
Add: (Loss) / Profit for the year	2,851	(57,577)
<b>Amount available for appropriation</b>	<u>2,264,117</u>	<u>2,261,266</u>
Appropriations	-	-
<b>Closing balance in statement of profit and loss</b>	<u>2,264,117</u>	<u>2,261,266</u>
<b>Total</b>	<u>2,396,394</u>	<u>2,393,543</u>



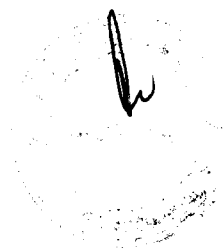


# Edelweiss Trusteeship Company Limited

## Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
<b>5. Trade payables</b>		
Trade payables	144,520	245,189
<b>Total</b>	<u>144,520</u>	<u>245,189</u>
<b>6. Other current liabilities</b>		
Other Payables		
Withholding tax, service tax and other taxes payable	3,229	4,133
Book overdraft	-	6,236
<b>Total</b>	<u>3,229</u>	<u>10,369</u>



# Edelweiss Trusteeship Company Limited

## Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	As at 31 March 2018	As at 31 March 2017
<b>7. Non-current investments</b>		
Other investments (unquoted)		
9704.08 units (31 March 2017: 9704.08 units) of Edelweiss Dynamic Bond Fund - Direct Plan - Growth Option (Formerly known as Edelweiss Bond Fund)	132,277	132,277
<b>Total</b>	<u>132,277</u>	<u>132,277</u>
Aggregate amount of unquoted investments		
At carrying value	132,277	132,277
At net asset value	182,105	175,627
<b>8. Long-term loans and advances</b>		
Other loans and advances		
Advance income taxes (net of provision for taxation)	301,616	269,912
<b>Total</b>	<u>301,616</u>	<u>269,912</u>
<b>9. Current investments</b>		
Other investments (unquoted)		
177459.453 units (31 March 2017: 193,623.86 units) of Edelweiss Dynamic Bond Fund - Direct Plan - Growth Option (Formerly known as Edelweiss Bond Fund)	2,501,846	2,729,734
<b>Total</b>	<u>2,501,846</u>	<u>2,729,734</u>
Aggregate amount of unquoted investments		
At carrying value	2,501,846	2,729,734
At net asset value	3,330,169	3,504,263



# Edelweiss Trusteeship Company Limited

## Notes to the financial statements (Continued)

(Currency : Indian Rupees)

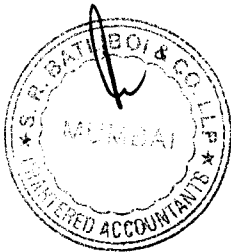
	As at 31 March 2018	As at 31 March 2017
<b>10. Trade receivables</b>		
Due for period less than six months:		
Unsecured, considered good	90,003	87,504
<b>Total</b>	<b>90,003</b>	<b>87,504</b>
<b>11. Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
- in Current accounts	268,440	344,602
<b>Total</b>	<b>268,440</b>	<b>344,602</b>
<b>12. Short-term loans and advances</b>		
<u>Unsecured</u>		
Other loans and advances		
Vendor Advances	-	4,320
Input tax credit	155,122	80,752
Advance income tax (net of provision for taxation)	67,293	-
Advances recoverable in cash or in kind or for value to be received	27,546	-
<b>Total</b>	<b>249,961</b>	<b>85,072</b>

# Edelweiss Trusteeship Company Limited

## Notes to the financial statements (Continued)

(Currency : Indian Rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>13. Revenue from operations</b>		
Trusteeship fees	1,000,000	1,000,000
<b>Total revenue from operations</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>14. Other income</b>		
Profit on sale of Current Investment	72,112	91,984
<b>Total other income</b>	<b>72,112</b>	<b>91,984</b>
<b>15. Other expenses</b>		
Auditors' remuneration	63,080	53,465
Communication	2,491	2,465
Clearing and custodian charges	9,000	9,000
Directors' sitting fees	570,000	530,000
Legal and professional fees	388,197	474,994
Office expenses	-	1,500
Printing and stationery	2,692	3,216
Rates and taxes	30,879	3,855
Service tax expenses	1,099	4,743
Travelling and conveyance	-	32,514
Bank charges	823	1,105
<b>Total</b>	<b>1,068,261</b>	<b>1,116,857</b>
<b>Auditors' remuneration:</b>		
For Audit	60,000	50,000
For reimbursement of expenses	3,080	3,465
<b>Total</b>	<b>63,080</b>	<b>53,465</b>



## Edelweiss Trusteeship Company Limited

### Notes to the financial statements (Continued)

(Currency: Indian Rupees)

#### 16. Segment reporting

The Company has operated only in one business segment during the year viz. capital based business comprising of trading and investment activities. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Since business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

#### 17. Related parties

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

Edelweiss Financial Services Limited - Holding company

##### (B) Fellow subsidiaries with whom transactions have taken place

Edelweiss Asset Management Limited  
Edelweiss Business Services Limited

Particulars	2017-2018	2016-2017
<b>Trusteeship fees (for Edelweiss Mutual Fund)</b> Edelweiss Asset Management Limited	1,000,000	1,000,000
<b>Cost reimbursements paid to</b> Edelweiss Business Services Limited	50,000	1,322
<b>Balances with related parties</b>		
Trade payables to Edelweiss Business Services Limited	-	1,387
Trade receivables from Edelweiss Asset Management Limited	90,003	87,504

#### 18. Earnings per share

In accordance with Accounting Standard 20 on Earnings per share notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules 2014, the computation of earnings per share is set out below.

	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Net amount attributable to the equity shareholders (as per statement of profit and loss)	2,851	(57,577)
b) Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	100,000	100,000
c) Basic and diluted earnings per share (in Rupees) (a/b) [Face value Rs. 10 per share]	0.03	(0.58)

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

**Edelweiss Trusteeship Company Limited**

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

(Currency: Indian Rupees)

**19. Details of dues to micro small and medium 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.

**20. Prior period comparatives**

The Figures in respect of the previous year have been regrouped/ rearranged wherever necessary, to make them comparable with the current year.

For **S. R. Batliboi & Co. LLP**  
ICAI Firm's Registration No:301003E/ E300005  
Chartered Accountants



per **Jayesh Gandhi**  
Partner  
Membership No: 037924

Mumbai  
27 April 2018

**For and on behalf of the Board of Directors**



**Himanshu Kaji**  
Director  
DIN – 00009438

Mumbai  
27 April 2018



**K. V. Hegde**  
Director  
DIN – 00480795

