

**Edelweiss Securities And Investments Private  
Limited**

**Corporate Identity Number: U65990MH2009PTC344641**

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**Financial Statement for the year ended March 31, 2022**

# Edelweiss Securities And Investments Private Limited

## Financial Statement for the year ended March 31, 2022

### Board of Directors

Mr. Tarun Khurana - Non-Executive Director

Ms. Ananya Suneja - Non-Executive Director

### Statutory Auditors

M/s. GMJ & Co., Chartered Accountants

### Registered Office

Edelweiss House,

Off. C.S.T. Road, Kalina,

Mumbai - 400098.

Corporate Identity No.: U65990MH2009PTC344641

Tel. No.: +91 22 4009 4400

Email: [alternativescompliance@edelweissalts.com](mailto:alternativescompliance@edelweissalts.com)

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Edelweiss Securities and Investments Private Limited**  
(formerly known as **Magnolia Commodities Services Private Limited**)

**Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of **Edelweiss Securities and Investments Private Limited (formerly known as Magnolia Commodities Services Private Limited)** ("the Company"), which comprise the Balance sheet as at March 31 2022, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

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

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

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



### Responsibilities of Management for the Ind AS Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

### Report on Other Legal and Regulatory Requirements

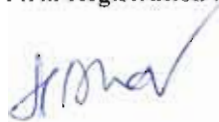
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion and according to the information and explanation given to us, no remuneration has been paid by the Company to its directors during the current year;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - 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; and
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 48.8(A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate



Beneficiary”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;

- b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 48.8(B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For GMJ & Co.  
Chartered Accountants  
Firm Registration No. 103429W



Haridas Bhat  
Partner  
Membership No.:039070



UDIN: 22039070AJHZLB1088

Place: Mumbai  
Date: May 20, 2022

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Securities and Investments Private Limited (formerly known as Magnolia Commodities Services Private Limited) ('the Company') on the financial statements for the year ended March 31, 2022, we report that:

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, there is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2022.
- (e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company has conducted physical verification of inventory on the basis of vault register in respect of commodities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) In our opinion and according to the information and explanations given to us by the management, during the year the Company has provided its investment shares amounting to Rs. 3,23,48,90,419 as security on behalf of its holding company to another company other than its subsidiaries, joint ventures and associates and the balance outstanding as at the balance sheet date with respect to such security is Rs. 3,23,48,90,419. Further as per the information and explanations given to us by the management, the Company has not provided loans, advances in the nature of loans or stood guarantee to companies, firms, Limited Liability Partnerships or any other parties.
- (b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the investments made and security provided during the year to companies are not prejudicial to the Company's interest. Further as per the information given by the management the Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties or provided any guarantees during the year.
- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has granted loans and advances in the



nature of loans to companies, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except in case of one loan amounting to Rs. 3,50,00,000 where the repayment was not regular as stipulated and delayed for more than 1 year.

- (d) Out of all loans granted, one loan is overdue for more than ninety days of which total overdue amount is Rs. 4,59,29,020. The Company has fully provided such amount in its books of accounts and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
- (e) In our opinion and according to the information and explanations given to us, there were no loans or advance in the nature of loan granted to companies which had fallen due during the year that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, investments in respect of which the provisions of section 186 of the Companies Act 2013 are applicable have been complied with by the Company.
- (v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained by the management of the Company, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, value added tax, goods and service tax, cess and other statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to employees' state insurance, provident fund, duty of excise, duty of custom, sales tax, service tax and cess are not applicable to the Company.

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

- (b) According to the information and explanation given to us, there are no dues of value added tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The provisions relating to employees' state insurance, provident fund, duty of excise, duty of custom, sales tax, service tax and cess are not applicable to the Company. The dues outstanding in respect of income tax on account of dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	7,840	A.Y.2018-19	Assessing Officer
Income Tax Act, 1961	Income Tax	1,43,270	A.Y.2019-20	Centralized Processing Centre

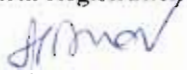


- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) The Company has not taken any term loan during the year. Hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor, or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report on clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the year under audit.



- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 46 to the financial statements.
- (b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 46 to the financial statements.
- (xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For GMJ & Co.  
Chartered Accountants  
Firm Registration No. 103429W

  
Haridas Bhat  
Partner  
Membership No.:039070  
UDIN: 22039070AJHZLB1088  
Place: Mumbai  
Date: May 20, 2022



## Annexure B to the Auditors' Report

**Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Securities and Investments Private Limited (formerly known as Magnolia Commodities Services Private Limited) ("the Company")**

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

We have audited the internal financial controls over financial reporting of Edelweiss Securities and Investments Private Limited (formerly known as Magnolia Commodities Services Private Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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.

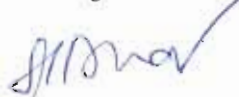
**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Ind AS 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2022, 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 GMJ & Co.  
Chartered Accountants  
Firm Registration No. 103429W



Haridas Bhat  
Partner  
Membership No.:039070



UDIN: 22039070AJHZLB1088

Place: Mumbai  
Date: May 20, 2022

# Edelweiss Securities and Investments Private Limited

## Balance Sheet

(Currency - Indian rupees in millions)

	Note	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7(a)	0.01	-
Other intangible assets	7(b)	-	-
<b>Financial assets</b>			
(i) Investments	8	4,775.30	950.47
(ii) Bank balances other than cash and cash equivalents	9	0.15	-
Current tax assets (net)	10	28.10	20.65
Deferred tax assets (net)	11	21.89	105.02
		<b>4,825.45</b>	<b>1,076.15</b>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Stock in trade	12	2,458.05	6.55
(ii) Trade receivables	13	9.55	11.33
(iii) Cash and cash equivalents	14	350.07	2.71
(iv) Bank balances other than cash and cash equivalents (iii) above	15	-	0.14
(v) Loans	16	290.04	293.70
(vi) Other financial assets	17	1,024.43	0.05
Other current assets	18	31.23	46.69
		<b>4,163.37</b>	<b>350.17</b>
<b>TOTAL ASSETS</b>		<b>8,988.82</b>	<b>1,426.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	19	6.13	1.57
Other equity	20	2,596.06	787.59
		<b>2,602.19</b>	<b>789.16</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21(a)	3,390.76	-
		<b>3,390.76</b>	<b>-</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21(b)	123.89	424.21
<b>Trade payables</b>			
(i) total outstanding dues of micro enterprises and small enterprises	37	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	22	347.90	195.76
Other financial liabilities	23	2,432.45	5.40
Other current liabilities	24	3.81	9.51
Current tax liabilities (net)	25	87.82	2.27
		<b>2,995.87</b>	<b>637.15</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,988.82</b>	<b>1,426.31</b>

Significant accounting policies and notes forming part of the financial statements. 1 to 49

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

For GMJ & Co.

Chartered Accountants  
Firm's Registration No. 103429W

Haridas Bhat  
Partner  
Membership No. 039070  
Mumbai  
20 May 2022



For and on behalf of the Board of Directors

Ananya Suneja  
Non-executive Director  
DIN: 01297081  
Mumbai  
20 May 2022

Tarun Khurana  
Non-executive Director  
DIN: 03380026  
Mumbai  
20 May 2022



# Edelweiss Securities and Investments Private Limited

## Statement of Profit and Loss

(Currency : Indian rupees in millions)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Revenue from operations</b>			
Fee and commission income	26	0.03	0.07
Net gain on fair value changes	27	914.44	278.74
Dividend income	28	0.02	0.18
Interest income	29	89.89	85.46
Sale of commodity		1,161.41	447.74
<b>Total revenue from operations</b>		<b>2,165.79</b>	<b>812.19</b>
Other income	30	0.77	1.35
<b>Total income</b>		<b>2,166.56</b>	<b>813.54</b>
<b>Expenses</b>			
Purchases of commodity		1,161.04	447.68
Finance costs	31	108.80	35.77
Depreciation, amortisation and impairment	32	0.02	1.16
Impairment on financial instruments	32	(0.01)	81.35
Other expenses	33	371.06	173.72
<b>Total expenses</b>		<b>1,640.91</b>	<b>739.68</b>
<b>Profit before tax</b>		<b>525.65</b>	<b>73.86</b>
<b>Tax expenses:</b>			
Current tax		102.64	31.05
Deferred tax		83.13	13.99
<b>Profit for the year</b>		<b>339.88</b>	<b>28.82</b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income</b>		<b>339.88</b>	<b>28.82</b>
<b>Earnings per equity share (Face value of Rs. 10 each):</b>			
Basic (in Rupees)	36	554.01	183.82
Diluted (in Rupees)		554.01	183.82

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

1 to 49

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

For GMJ & Co.

Chartered Accountants

Firm's Registration No.: 103429W



Haridas Bhat

Partner

Membership No: 039070

Mumbai

20 May 2022



For and on behalf of the Board of Directors



Ailasha Suneja

Non-executive Director

ISIN: 07297081

Mumbai

20 May 2022



Tarun Khurana

Non-executive Director

DIN: 03280026

Mumbai

20 May 2022



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# Edelweiss Securities and Investment Private Limited

## Cash Flow Statement

(Currency : Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A Cash flow from operating activities</b>		
Profit before taxation	525.65	73.86
<i>Adjustments for</i>		
Depreciation	0.02	1.16
Profit on sale of fixed assets	(0.77)	
Fair value of financial instruments	368.74	(15.87)
Impairment on financial instruments - loans	(0.01)	81.35
Gain on sale of investment (Group)	(486.39)	-
Interest income on loan	(37.43)	(62.53)
Interest income on CCDs	(39.82)	(0.42)
Interest expense	108.21	29.07
<b>Operating cash flow before working capital changes</b>	<b>438.20</b>	<b>106.62</b>
<i>Adjustments for working capital changes</i>		
Decrease / (increase) in trade receivables	(9.18)	9.31
Increase in fixed deposit and accrued interest thereon	(0.01)	(0.01)
Decrease / (Increase) in stock-in-trade	(2,820.24)	2,107.33
Decrease in derivative and other financial assets	(1,024.38)	1.58
Increase in other current assets	15.47	(26.39)
Increase / (decrease) in trade payables	152.14	193.45
(Decrease) / increase in other financial liabilities	2,427.06	(1.27)
(Decrease) / increase in other current liabilities and provisions	(5.75)	(645.10)
<b>Cash generated from / (used in) operations</b>	<b>(826.71)</b>	<b>1,745.52</b>
Income tax paid	(24.53)	(50.87)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>(851.24)</b>	<b>1,694.65</b>
<b>B Cash flow from investing activities</b>		
Sale / (purchase) of property, plant and equipment, and intangible assets	0.77	(1.16)
Loan given (refer note below)	-	107.3
Amount receivable from sale of investment	1,023.44	-
Interest received	41.10	59.90
Interest income on CCDs	40.23	-
Sale / (Purchase) of investments	(2,889.17)	(950.05)
<b>Net cash (used in) investing activities - B</b>	<b>(1,783.63)</b>	<b>(784.28)</b>
<b>C Cash flow from financing activities</b>		
(Repayment of) / proceeds from borrowings other than debt securities (refer note below)	3,076.88	(879.35)
Interest paid	(94.65)	(34.11)
<b>Net cash (used in) / generated from financing activities - C</b>	<b>2,982.23</b>	<b>(913.46)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>347.36</b>	<b>(3.09)</b>
Cash and cash equivalents at the beginning of the year	2.71	5.80
Cash and cash equivalents at the end of the year	350.07	2.71

Note:

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

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

For GMJ & Co.

Chartered Accountants

Firm's Registration No.: 103429W

*Haridas Bhat*

Haridas Bhat

Partner

Membership No: 039070

Mumbai

20 May 2022



For and on behalf of the Board of Directors

*Ananya Suneja*

Ananya Suneja

Non-executive Director

DIN: 07297081

Mumbai

20 May 2022

*Tarun Khurana*

Tarun Khurana

Non-executive Director

DIN: 03280026

Mumbai

20 May 2022

*[Handwritten mark]*

## Edelweiss Securities and Investments Private Limited

### Statement of Changes in Equity

(Currency : Indian rupees in millions)

#### (A) Equity share capital

	As at	As at
	31 March 2022	31 March 2021
Balance at the beginning of the year	1.57	1.57
Changes in equity share capital (refer note 19)	4.57	-
Balance at the end of the year	6.13	1.57

#### (B) Other equity

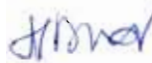
	Securities Premium Account	Capital Reserve	Retained earnings	Total
<b>Balance at 1 April 2020 (Ind AS)</b>	-	0.43	758.33	758.76
Profit for the year	-	-	28.83	28.83
Total comprehensive income for the year	-	-	28.83	28.83
<b>Balance at 31 March 2021 (Ind AS)</b>	-	0.43	787.16	787.59
Profit for the year	-	-	339.88	339.88
Total comprehensive income for the year	-	-	339.88	339.88
Addition Composite scheme of arrangement (refer note 44)	7,242.99	(5,774.40)	-	1,468.59
<b>Balance at 31 March 2022 (Ind AS)</b>	<b>7,242.99</b>	<b>(5,773.97)</b>	<b>1,127.04</b>	<b>2,596.06</b>

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

For GMJ & Co.

Chartered Accountants

Firm's Registration No.: 103429W



Haridas Bhat

Partner

Membership No: 039070

Mumbai

20 May 2022



For and on behalf of the Board of Directors



Ananya Suneja

Non-executive Director

DIN:07297081

Mumbai

20 May 2022



Tarun Khurana

Non-executive Director

DIN:03280026

Mumbai

20 May 2022



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# Edelweiss Securities and Investments Private Limited

(Formerly Magnolia Commodities Services Private Limited)

## Notes to the financial statements

for the year ended 31 March 2022

### 1. Background

Edelweiss Securities and Investments Private Limited was incorporated on 04 September 2009 as a private limited company.

The Company is a subsidiary of Edelweiss Financial Services Limited and it does business of trading in equity shares, derivatives, debentures and commodities.

### 2. Basis of preparation of financial statements

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

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

The outbreak of COVID - 19 pandemic has affected several countries across the world, including India. The Government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors. Further, while the COVID-19 vaccination efforts have gained momentum, uncertainty due to the resurgence of COVID cases across many parts of India is rising. The extent to which COVID-19 pandemic will impact the Company, if any, depends on future spread of the virus and related developments, which are uncertain at this point of time. There has been no material change in the controls or processes followed in the preparation of the financial statements of the Company.

In preparing the accompanying financial statements, the Company's management has view that there is no material impact of the pandemic on its operations and its assets as at 31 March 2022.



# Edelweiss Securities and Investments Private Limited

(Formerly Magnolia Commodities Services Private Limited)

## Notes to the financial statements

for the year ended 31 March 2022

### 3. Presentation of financial statements

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

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

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

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

#### Assets

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

#### 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.



# Edelweiss Securities and Investments Private Limited

(Formerly Magnolia Commodities Services Private Limited)

## Notes to the financial statements

for the year ended 31 March 2022

### 4. Significant accounting policies

#### 4.1 Revenue recognition

4.1.1 Fee income including advisory fees for services rendered is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.

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

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

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

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

For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

4.1.3 Dividend income is recognised in statement of profit and loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

4.1.4 Profit / loss from share in partnership firm is accounted once the amount of the share of profit/ loss is ascertained and credited / debited to the Company's account in the books of the partnership firm.

4.1.5 Commodities sales are accounted as per the terms of agreement with parties.



# Edelweiss Securities and Investments Private Limited

(Formerly Magnolia Commodities Services Private Limited)

## Notes to the financial statements

for the year ended 31 March 2022

### 4.2 Financial Instruments

#### 4.2.1 Date of recognition

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

#### 4.2.2 Initial measurement of financial instruments

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

#### 4.2.3 Day 1 profit or loss

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

### 4.3 Classification of financial instruments

#### 4.3.1 Financial assets:

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

- Amortised cost
- Fair value through other comprehensive income [FVTOCI]
- 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.

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).



# Edelweiss Securities and Investments Private Limited

(Formerly Magnolia Commodities Services Private Limited)

## Notes to the financial statements

for the year ended 31 March 2022

- 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.

Other than above classification of amortised cost and FVOCI, all other financial assets are initially measured at fair value and subsequently measured at FVTPL.

### 4.3.1.1 Amortized cost and Effective interest rate method (EIR)

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

### 4.3.1.2 Financial assets held for trading

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

### 4.3.1.3 Financial asset measured at FVOCI

Unrealised gains or losses on debt instruments measured at FVOCI are recognised in other comprehensive income, and on derecognition of such instrument accumulated gains or losses are recycled to statement of profit and loss. Interest income on such instrument is recognised in statement of profit and loss as per EIR method.

### 4.3.1.4 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 to be measured at FVTOCI, when such instruments meet the definition of Equity under Ind AS and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

### 4.3.2 Financial liabilities

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



# Edelweiss Securities and Investments Private Limited

(Formerly Magnolia Commodities Services Private Limited)

## Notes to the financial statements

for the year ended 31 March 2022

### 4.3.2.1 Debt securities and other borrowed funds

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

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

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

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

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

### 4.3.2.3 Financial guarantee:

Financial guarantees are contracts that require the Company to make specified payments to reimburse to holder for loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Financial guarantee issued or commitments to provide a loan at below market interest rate are initially measured at fair value and the initial fair value is amortised over the life of the guarantee or the commitment. Subsequently they are measured at higher of this amortised amount and the amount of loss allowance.

### 4.3.2.4 Loan commitment

Undrawn loan commitments are commitments under which, the Company is required to provide a loan with pre-specified terms to the customer during the duration of commitment.



# Edelweiss Securities and Investments Private Limited

(Formerly Magnolia Commodities Services Private Limited)

## Notes to the financial statements

for the year ended 31 March 2022

### 4.3.3 Financial liabilities and equity instruments

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

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

### 4.3.4 Derivatives

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

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

### 4.4 Reclassification of financial assets and liabilities

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

### 4.5 Derecognition of financial assets and financial liabilities

#### 4.5.1 Derecognition of financial assets due to substantial modification of terms and conditions

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

When assessing whether or not to derecognise a financial assets, amongst others, the Company considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty

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

#### 4.5.2 Derecognition of financial assets other than due to substantial modification

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

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



# Edelweiss Securities and Investments Private Limited

(Formerly Magnolia Commodities Services Private Limited)

## Notes to the financial statements

for the year ended 31 March 2022

- 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.

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

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

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

A transfer qualifies for derecognition if either:

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

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

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

### 4.6 Impairment of financial assets

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

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



# Edelweiss Securities and Investments Private Limited

(Formerly Magnolia Commodities Services Private Limited)

## Notes to the financial statements

for the year ended 31 March 2022

component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

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

### 4.7 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.



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### 4.8 Collateral repossessed

The Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Company's policy.

In its normal course of business, the Company does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors.

### 4.9 Write off

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

### 4.10 Forborne and modified loan

The Company sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, rather than taking possession or to otherwise enforce collection of collateral. The Company considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Company would not have agreed to them if the borrower had been financially healthy. Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department. Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms. It is the Company's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset, until it is collected or written off.

### 4.11 Determination of fair value

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset



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

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

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

#### 4.12 Earnings per share

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

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

#### 4.13 Foreign currency transactions

The financial statements are presented in Indian Rupees. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.



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monetary items that are measured in terms of historical cost in a foreign currency are not translated.

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

#### 4.14 Impairment of non-financial assets

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

#### 4.15 Business Combination:

The acquisition method of accounting is used for business combinations by the Company. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values with certain limited exceptions. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

#### Business combination under common control:

Common control business combinations includes transactions, such as transfer of subsidiaries or businesses, between entities within a group. Company has accounted all such transactions based on pooling of interest method, which is as below:-

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values, or recognise any new assets or liabilities.
- The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. The difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor shall be transferred to capital reserve.



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### 4.16 Cash and cash equivalents

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

### 4.17 Provisions and Contingent liabilities

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

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

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

### 4.18 Income tax expenses

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

#### 4.18.1 Current tax

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

#### 4.18.2 Deferred tax

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



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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.

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.

### 4.18.3 Minimum Alternative Tax (MAT) credit

MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes unused MAT credit as a deferred tax asset only to the extent that it is probable that the Company will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the statement of profit and loss. The Company reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Company will be able to utilise it during the specified period.

## 5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the management is required to make judgments, 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.



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for the year ended 31 March 2022

### 5.1 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 stand-alone financial statements.

#### a. Business model assessment

Classification and measurement of financial assets depends on the results of the solely payments of principal and interest (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.

#### b. Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

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

#### a. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless



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of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

For Investments made into Security receipts (SRs), Company uses discounted cash flow model, given that the SRs are less liquid instruments. Expected cash flow levels including timing of cash flows are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including default rates, nature and value of collaterals, manner of resolution and other economic drivers. For any valuation which are based on models, Judgements and estimates are applied, which include considerations of liquidity, credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

### b. 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.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- PD calculation includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EAD and LGD.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

### c. Effective interest rate method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.



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This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

d. Accounting for deferred taxes

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

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

6. **Standards issued but not yet effective**

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



## Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 7(a) Property, plant and equipment

Description of Assets	Gross block			Depreciation			Net block	
	Gross Block Opening As at 01 April 2021	Gross Block Addition	Gross Block Deduction	Gross Block Closing As at 31 Mar 2022	Depreciation As at 01 April 2021	Charge for the year	Depreciation As at 31 Mar 2022	Net Block As at 31 Mar 2022
Computers	0.06	-	-	0.06	0.03	0.02	0.05	0.01
<b>Total</b>	<b>0.06</b>	<b>-</b>	<b>-</b>	<b>0.06</b>	<b>0.03</b>	<b>0.02</b>	<b>0.05</b>	<b>0.01</b>

(Refer note 44)

Description of Assets	Gross block			Depreciation			Net block	
	Gross Block Opening As at 01 April 2020	Gross Block Addition	Gross Block Deduction	Gross Block Closing As at 31 Mar 2021	Depreciation As at 01 April 2020	Charge for the year	Depreciation As at 31 Mar 2021	Net Block As at 31 Mar 2021
Assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 7(b) Other Intangible Assets

Description of Assets	Gross block			Depreciation			Net block	
	Gross Block Opening As at 01 April 2021	Gross Block Addition	Gross Block Deduction	Gross Block Closing As at 31 Mar 2022	Depreciation As at 01 April 2021	Charge for the year	Depreciation As at 31 Mar 2022	Net Block As at 31 Mar 2022
Assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Description of Assets	Gross block			Depreciation			Net block	
	Gross Block Opening As at 01 April 2020	Gross Block Addition	Gross Block Deduction	Gross Block Closing As at 31 Mar 2021	Depreciation As at 01 April 2020	Charge for the year	Depreciation As at 31 Mar 2021	Net Block As at 31 Mar 2021
Software	-	1.16	-	1.16	-	1.16	1.16	-
<b>Total</b>	<b>-</b>	<b>1.16</b>	<b>-</b>	<b>1.16</b>	<b>-</b>	<b>1.16</b>	<b>1.16</b>	<b>-</b>



# Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

## 8 Investments

As at 31 March 2022

Particulars	At fair value		Total
	at fair value Through Profit and loss	At cost (subsidiaries, associates, and joint ventures)	
<b>Non-current</b>			
(i) Equity*	-	3,446.00	3,446.00
(ii) Debt securities	-	1,100.00	1,100.00
(iii) Units of AIF	229.30	-	229.30
<b>Total - gross (A)</b>	<b>229.30</b>	<b>4,546.00</b>	<b>4,775.30</b>
(i) Investments outside India	-	-	-
(ii) Investment in India	229.30	4,546.00	4,775.30
<b>Total (B)</b>	<b>229.30</b>	<b>4,546.00</b>	<b>4,775.30</b>
Less: allowance for impairment (C)	-	-	-
<b>Total net (A-C)</b>	<b>229.30</b>	<b>4,546.00</b>	<b>4,775.30</b>

\*Of the above Equity shares, investment in Edelweiss Asset Reconstruction Limited is pledged by the Company for the funds borrowed by Edelweiss Financial Services Limited.

As at 31 March 2021

Particulars	At fair value		Total
	at fair value Through Profit and loss	At cost (subsidiaries, associates, and joint ventures)	
<b>Non-current</b>			
(i) Equity	-	100.05	100.05
(ii) Debt securities	-	850.42	850.42
<b>Total - gross (A)</b>	<b>-</b>	<b>950.47</b>	<b>950.47</b>
(i) Investments outside India	-	-	-
(ii) Investment in India	-	950.47	950.47
<b>Total (B)</b>	<b>-</b>	<b>950.47</b>	<b>950.47</b>
Less: allowance for impairment (C)	-	-	-
<b>Total net (A-C)</b>	<b>-</b>	<b>950.47</b>	<b>950.47</b>



# Edelweiss Securities and Investments Private Limited

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## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

8 (a) Investments	As at 31 March 2022			As at 31 March 2021		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<b>Investments in subsidiary (fully paid up, unquoted)</b>						
<b>Investments in equity</b>						
*Edelweiss Alternative Asset Advisors Limited	10	1,22,55,994	100.10	10.00	12,11,116	100.05
Edelweiss Real Assets Managers Limited	10	61,000	110.50	-	-	-
Sekura India Management Limited	10	50,000	0.50	-	-	-
*Edelweiss Asset Reconstruction Limited	10	9,38,96,725	3,234.89	-	-	-
*Including Shares received in the scheme of arrangement						
<b>Investments in Compulsorily Convertible debentures (CCD)</b>						
Edelweiss Alternative Asset Advisors Limited	10	11,00,00,000	1,100.00	10.00	8,50,00,000	850.00
Interest Accrued but not due on CCD			0.00			0.42
<b>Investments in Alternative Investment FUND (AIF)</b>						
EF Special Situations Fund	10,000	5,000.00	5.71	-	-	-
EO Special Situations Fund	10,000	5,000.00	5.72	-	-	-
Real Estate Credit Opportunities Fund III	10,000	5,000.00	36.78	-	-	-
Edelweiss India Special Situations Fund	10,000	4,944.00	50.18	-	-	-
EISAF II Onshore Fund	10,000	5,000.00	62.73	-	-	-
Edelweiss India Special Situations Fund II	10,000	2,256.00	9.17	-	-	-
Edelweiss Infrastructure Yield Plus Fund	10,000	2,687.50	36.83	-	-	-
EREF Onshore Fund	10,000	2,250.00	22.20	-	-	-
			<b>4,775.30</b>			<b>950.47</b>



# Edelweiss Securities and Investments Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
<b>9 Bank balances other than cash and cash equivalents</b>		
- Long term deposits with banks	0.15	-
- Accrued interest on fixed deposits (above bank deposits with maturity less than 12 months)	0.00	-
	0.15	-
<b>10 Current tax assets (net)</b>		
Advance income taxes (net of provision for Tax)	28.10	20.65
	28.10	20.65
<b>11 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
<u>Loans</u>		
Provision for standard assets - ECL provision	20.99	16.77
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	-	0.24
<u>Unused tax credit</u>		
MAT credit entitlement	5.85	88.11
	26.84	105.12
<b>Deferred tax liabilities</b>		
<u>Investments and other financial instruments</u>		
Fair valuation of investments and stock-in-trade - gain in valuation	4.95	0.10
	4.95	0.10
	21.89	105.02



# Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

## 11 (i) Income tax disclosure

(a) The components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

Particulars	31 March 2022	31 March 2021
Current tax	91.94	32.08
Adjustment in respect of current income tax of prior years	10.70	(1.03)
Deferred tax relating to origination and reversal of temporary differences	0.86	4.92
Deferred tax recognised on unused tax credit or unused tax losses	82.26	9.06
<b>Total tax charge</b>	<b>185.77</b>	<b>45.04</b>
Current tax	102.64	31.05
Deferred tax	83.13	13.99

(b) Reconciliation of total tax charge

Particulars	31 March 2022	31 March 2021
Accounting profit before tax as per financial statements	525.65	73.86
Tax rate (in percentage)	34.94%	34.94%
Income tax expense calculated based on this tax rate	183.66	25.81
Adjustment in respect of current income tax of prior years	10.70	(1.03)
<b>Effect of non-deductible expenses:</b>		
Others	(0.21)	18.62
Donation	(1.55)	(1.29)
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	-	3.58
Other	(6.84)	(0.64)
<b>Tax charge for the year recorded in statement of profit and loss</b>	<b>185.77</b>	<b>45.04</b>



# Edelweiss Securities and Investments Private Limited

(Formerly known as Magnolia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

## 11 (i) Income tax disclosure (Continued)

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

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2021-22)			Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Others		
Deferred taxes in relation to:						
Fixed Assets	0.24	(0.24)	-	-	(0.24)	(0.00)
Accumulated Losses	-	-	-	-	-	-
MAT credit entitlement (current)	88.11	(82.26)	-	-	(82.26)	5.84
Unrealised loss on derivatives	-	-	-	-	-	-
Fair valuation of investments and stock-in-trade - gain in valuation	(0.10)	0.08	-	-	0.08	(0.02)
Loans given	16.77	(0.71)	-	-	(0.71)	16.06
<b>Total</b>	<b>105.01</b>	<b>(83.13)</b>	<b>-</b>	<b>-</b>	<b>(83.13)</b>	<b>21.89</b>

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2020-21)			Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Others		
Deferred taxes in relation to:						
Fixed Assets	-	0.24	-	-	0.24	0.24
Accumulated Losses	16.85	(16.85)	-	-	(16.85)	-
MAT credit entitlement (current)	97.17	(9.06)	-	-	(9.06)	88.11
Unrealised loss on derivatives	1.83	(1.83)	-	-	(1.83)	-
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	(1.69)	1.69	-	-	1.69	-
Fair valuation of investments and stock-in-trade - gain in valuation	(5.65)	5.55	-	-	5.55	(0.10)
Loans given	10.49	6.28	-	-	6.28	16.77
<b>Total</b>	<b>119.00</b>	<b>(13.98)</b>	<b>-</b>	<b>-</b>	<b>(13.98)</b>	<b>105.02</b>

Break-up of recognition of current tax	31 March 2022	31 March 2021
In P&L	102.65	31.05
In OCI	-	-

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

As at 31 March 2021 Financial Year ending	Unused tax losses	
	Amount	Loss Expiry year
31 March 2021	60.00	31 March 2029
<b>Total</b>	<b>60.00</b>	



# Edelweiss Securities and Investments Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 12 Stock in trade

#### At fair value through profit and loss

Particulars	As at	As at
	31 March 2022	31 March 2021
Equity instruments	2,458.05	5.40
Debt securities	-	1.15
<b>Total</b>	<b>2,458.05</b>	<b>6.55</b>
Stock in trade outside India	-	-
Stock in trade in India	2,458.05	6.55
<b>Total</b>	<b>2,458.05</b>	<b>6.55</b>
Less: Allowance for impairment	-	-
<b>Total</b>	<b>2,458.05</b>	<b>6.55</b>



# Edelweiss Securities and Investments Private Limited

(Formerly known as Magnolia Commodities Services Private Limited)

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

11 (a) Stock in trade	As at 31 March 2022			As at 31 March 2021		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
<i>Securities</i>						
<i>Equity (Unquoted)</i>						
National Stock Exchange of India Limited	1	7,76,000	2,458.05	1	5,000	5.40
			<u>2,458.05</u>		<u>-</u>	<u>5.40</u>
<i>Debt securities</i>						
Edelweiss Finance & Investments Ltd	-	-	-	1,000	450	0.66
ECL Finance Limited	-	-	-	1,000	692	0.49
			<u>-</u>		<u>1,142.00</u>	<u>1.15</u>
<b>Total</b>			<u><u>2,458.05</u></u>			<u><u>6.55</u></u>



## Edelweiss Securities and Investments Private Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
<b>13 Trade receivables</b>		
Unsecured		
Undisputed Trade receivables – considered good	9.55	0.33
	<u>9.55</u>	<u>0.33</u>
<b>Ageing of Trade receivables</b>		
Less than 6 months	9.55	0.33
	<u>9.55</u>	<u>0.33</u>
<b>14 Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	350.07	2.71
	<u>350.07</u>	<u>2.71</u>
<b>15 Bank balances other than cash and cash equivalents</b>		
- Short term deposits with banks	-	0.12
- Accrued interest on fixed deposits	-	0.02
(other bank deposits with maturity less than 12 months)	<u>-</u>	<u>0.14</u>



# Edelweiss Securities and Investments Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
<b>16 Loans</b>		
<b>At amortised cost</b>		
Loans to related party	287.18	287.18
Intercorporate deposits placed*	35.00	35.00
Accrued interest on inter-corporate deposits	10.93	10.93
Accrued interest on loan	2.90	6.57
<b>Total Gross</b>	<u>336.01</u>	<u>339.68</u>
Less: Impairment loss allowance	45.97	45.98
<b>Total (Net)</b>	<u><u>290.04</u></u>	<u><u>293.69</u></u>
Unsecured	336.01	339.68
<b>Total Gross</b>	<u>336.01</u>	<u>339.68</u>
Less: Impairment loss allowance	45.97	45.98
<b>Total (Net)</b>	<u><u>290.04</u></u>	<u><u>293.69</u></u>
Loans in India		
Others	336.01	339.68
<b>Total Gross</b>	<u>336.01</u>	<u>339.68</u>
Less: Impairment loss allowance	45.97	45.98
<b>Total (Net)</b>	<u><u>290.04</u></u>	<u><u>293.70</u></u>

\*Disclosure under section 186(4) of the companies Act, 2013 for loans . ICD has been given for general business purpose



## Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 16 Risk Management

#### 16.1. Introduction and risk profile

The Company provides a broad range of financial products and services to a substantial and diversified client base that includes corporations, institutions and individuals. The Company's products and services span multiple asset classes and consumer segments across domestic and global geographies. The Company's key lines of business can broadly be classified as below

- o Credit (Retail Credit, Corporate Credit and Distressed Credit)
- o Franchise & Advisory (Wealth Management, Asset Management and Capital Markets)

The Company's diversified businesses acts as an inherent risk management mechanism. However, the prevailing market environment exposes the Company to various risks like credit, market, liquidity, compliance, technology amongst others. As the Company is regulated various regulators in the financial industry - from RBI to NHB to SEBI to IRDA, it also exposes it to regulatory and reputation risks.

#### 16.2. Risk management strategy:

The strategy at an execution level is supported by -

1. Four-tiered risk management structure to manage and oversee risks
2. Board and Executive Level Committees to review and approve risk exposures
3. Risk Management framework to ensure each risk the Group is exposed to is given due importance and managed through a well-defined framework and guidelines
4. Defined exposure limits and thresholds for businesses to operate
5. Well-defined Standard Operating Procedures and Product approval framework to ensure risks are mitigated at operational level
6. Adequate segregation of duties to ensure multi-layered checks and balances
7. Exception reporting framework to ensure process and policy deviations are adequately addressed

#### 16.3. Risk management structure

To support the risk strategy and effective risk management, the Company have the "Four-tiered risk management structure" to ensure that there are enough defences available to control all types of risk issues. The risk structure is enumerated below

1. **Three lines of defense** - for accountability, oversight, and assurance

- o **Respective Businesses and Business Risk teams** - the first line of defense own and manage the risks and are responsible for implementation of the risk management framework
- o **Group risk** - the second line of defense and is responsible for overseeing the risk and defining the risk management framework
- o **Corporate Controller and audit** - the third line of defense to provide independent assurance of risk management framework implementation

2. **Board and Executive level Committees** - for overseeing the risk management. The current Risk Management Committees are

- o Board Risk Committee
- o Global Risk Committee
- o Enterprise Risk Management Council
- o Investment and Credit Committees

The Board Risk Committee is the overseeing body for Risk Management at the Group level. The Committee meets on regular interval to review the risk profile of the Company.

The Enterprise Risk Management (ERM) Council and the Global Risk Committee serve as the Apex Risk bodies of the Company. The constituents include Chairman & CEO, Executive Directors and Group Heads of Finance, Compliance, Technology, Risk, Corporate Services as its core members. The Committee meets regularly to identify, evaluate and mitigate potential extreme risks and take risk management decisions in relation to strategic matters.

The Investment and Credit Committee serve as the Apex bodies of the Company for all credit related decisions. Respective businesses has formulated its own Investment and Credit Committees depending upon the exposure scale.

Risk management framework

The Company has a Risk Framework, which describes the risk management approach and provides clear accountability for managing risk across the Company. The framework is subject to continuous evaluation based on existing internal as well external environment.



**Edelweiss Securities and Investments Private Limited**  
(Formerly known as Magnolia Commodities Services Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

#### 16 Risk Management (Continued)

The current "Eleven risk framework" covers the following vectors of risks

- o Business Risk
- o Credit Risk
- o Market Risk
- o Liquidity Risk
- o Regulatory Risk
- o Reputation Risk
- o Technology Risk
- o Operational and Process Risk
- o Fraud Risk
- o People Risk
- o Physical and Infrastructure Risk

The Company uses different types of tools and techniques for mitigating risk, depending upon the type of risk and quantum. For example:

- o Financial risks are mitigated through thorough counterparty, client assessment before any exposure is taken, and defined product/program level risk limits to ensure exposure does not exceed risk appetite. Committee based approval mechanism is adopted to ensure high exposures are approved with adequate representation and there is no bias in approvals.
- o Non-financial risks viz technology, operational, fraud, etc are mitigated through process documentation defining clear ownership for each activity, having adequate system/process level controls like maker-checker, reconciliation, testing and reviews.
- o Enterprise level risks viz, reputation, compliance, regulatory, etc are controlled through policies and framework, educating employees through training and risk socialisation sessions.

#### 16.4. Excessive risk concentration

Company's diversified business model acts as an inherent mechanism to avoid excessive concentrations of risk.

Single and Group level borrower limits for wholesale lending and program level limits for retail lending have been defined as a proactive risk measure to avoid excess credit concentration. Business risk team monitor these limits as part of its regular monitoring activity. Additionally, the risk team also keeps track of Group, Industry, Collateral, Geography (for retail) level exposure concentrations. These concentrations are reviewed as part of monthly risk review meetings and also discussed in the Credit Committee, so as to avoid further exposures or reduce exposures to sector/industry/group/geography under stress.

On the trading portfolio, limit structures have been put in place to address potential concentration risks within each trading portfolio. Any exposure beyond the approved limits and losses exceeding the VaR limits gets reported as an Exception to the Global Risk Committee and is monitored by the group and business risk teams.

The Company has a Board approved Risk Management Policy. The Company has a detailed claims processing manual in place.



## Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 16.5 Loans at amortised cost

#### Credit Quality of Assets

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

As at 31 March 2022

Performing/ Non performing	Group/ Non group	Stage I	Stage II	Stage III	Total
<b>Performing</b>					
High Grade	Group	290.08	-	-	290.08
<b>Total</b>		<b>290.08</b>	<b>-</b>	<b>-</b>	<b>290.08</b>
<b>Non-Performing</b>					
Individually impaired	Non group	-	-	45.93	45.93
<b>Total</b>		<b>-</b>	<b>-</b>	<b>45.93</b>	<b>45.93</b>

ECL on Group Loan Rs (0.04)  
ECL on Non-group Loan Rs (45.93)

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

As at 31 March 2021

Performing/ Non performing	Group/ Non group	Stage I	Stage II	Stage III	Total
<b>Performing</b>					
High Grade	Group	293.75	-	-	293.75
Standard grade	Non group	-	-	-	-
<b>Total</b>		<b>293.75</b>	<b>-</b>	<b>-</b>	<b>293.75</b>
<b>Non-Performing</b>					
Individually impaired	Group	-	-	-	-
Individually impaired	Non group	-	-	45.93	45.93
<b>Total</b>		<b>-</b>	<b>-</b>	<b>45.93</b>	<b>45.93</b>

ECL on Group Loan Rs (0.04)  
ECL on Non-group Loan Rs (45.93)



## Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 16.6 Loans at amortised cost

#### Credit Quality of Assets (Continued)

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

As at 31 March 2022

Particulars	Non-Credit Impaired			Credit Impaired			Total
	Stage I Gross Carrying Amount	Stage I Allowance for ECL	Stage II Gross carrying Amount	Stage II Allowance for ECL	Stage III Gross carrying Amount	Stage III Allowance for ECL	
Opening Balance	293.75	0.05	-	-	-	-	293.75
Opening Balance	-	-	-	45.93	-	-	45.93
Net new and further lending repayments	(3.67)	(0.01)	-	-	-	-	(3.67)
Net new and further lending repayments	-	-	-	-	-	-	-
<b>ECL Allowance - Closing Balance</b>	<b>290.08</b>	<b>0.04</b>	<b>-</b>	<b>45.93</b>	<b>-</b>	<b>-</b>	<b>336.01</b>
							<b>45.97</b>

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

As at 31 March 2021

Particulars	Non-Credit Impaired			Credit Impaired			Total
	Stage I Gross Carrying Amount	Stage I Allowance for ECL	Stage II Gross carrying Amount	Stage II Allowance for ECL	Stage III Gross carrying Amount	Stage III Allowance for ECL	
Opening Balance	464.13	0.66	-	-	-	-	464.13
Stage II to Stage III	-	-	-	-	29.67	-	29.67
Net new and further lending repayments	(170.38)	(0.60)	-	-	-	-	(170.38)
Net new and further lending repayments	-	-	-	0.29	-	-	0.29
<b>ECL Allowance - Closing Balance</b>	<b>293.75</b>	<b>0.05</b>	<b>-</b>	<b>45.93</b>	<b>-</b>	<b>-</b>	<b>339.68</b>
							<b>45.98</b>



# Edelweiss Securities and Investments Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
<b>17 Other financial assets</b>		
<u>Unsecured, considered good</u>		
Deposits- others	0.05	0.05
Margin placed with broker	0.90	-
Amount recoverable on sale of investment in the scheme demerger	1,023.44	-
Advances recoverable in cash or in kind or for value to be received (financial assets)	0.04	0.00
	<u>1,024.43</u>	<u>0.05</u>
<b>18 Other current assets</b>		
<u>Unsecured, considered good</u>		
Input tax credit	31.23	46.42
Vendor advances	-	0.27
	<u>31.23</u>	<u>46.69</u>



## - Edelweiss Securities and Investments Private Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
<b>19 Equity share capital</b>		
<b>Authorised :</b>		
2,000,000 (Previous year: 2,000,000) Equity shares of Rs. 10 each	20.00	20.00
	<u>20.00</u>	<u>20.00</u>
<b>Issued, Subscribed and Paid up:</b>		
613,485 (Previous year: 156,774) Equity shares of Rs. 10 each	6.13	1.57
	<u>6.13</u>	<u>1.57</u>

a. Reconciliation of share capital:	31 March 2022		31 March 2021	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	1,56,774	1.57	1,56,774	1.57
*Shares pending issuance pursuant to the composite scheme of arrangement	4,56,711	4.57	-	-
Outstanding at the end of the year	<u>6,13,485</u>	<u>6.13</u>	<u>1,56,774</u>	<u>1.57</u>

\*Subsequently on 25 April 2022, the Company has issued 456,711 Equity shares of Rs. 10 each thereby crediting Equity share capital by Rs. 45,67,110 and Securities premium by Rs.724,29,79.749 . In accordance with composite scheme of arrangement (refer note 44).

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

	31 March 2022		31 March 2021	
	No of shares	%	No of shares	%
Equity shares of Rs. 10 each				
Edelweiss Financial Services Limited and its nominees	3,55,308	58%	1,56,774	100%
Edelweiss Global Wealth Management Limited	2,58,177	42%	-	-
	<u>6,13,485</u>	<u>100%</u>	<u>-</u>	<u>100%</u>

#### 20 Other equity

Capital Reserve - Opening balance	0.43	0.43
Add : Additions during the year	(5,774.40)	-
	<u>(5,773.97)</u>	0.43
Securities Premium Account	-	-
Add : Additions during on issue of Equity Shares	7,242.99	-
	<u>7,242.99</u>	-
Opening balance	787.16	758.33
Add: Profit for the year	339.88	28.83
	<u>1,127.04</u>	<u>787.16</u>
	<u>2,596.06</u>	<u>787.59</u>



# Edelweiss Securities and Investments Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

21(a) Borrowings	As at 31 March 2022	As at 31 March 2021
<b>Unsecured at amortised cost</b>		
Loans from related parties	3,390.76	-
Borrowings in india	3,390.76	-
Borrowings outside india	-	-
	<u>3,390.76</u>	<u>-</u>
Repayable upto 3 years (At interest rate of 12.28% to 14.91% p.a. Previous year: 11.55% to 14.70% p.a.)		
<b>21(b) Borrowings</b>		
<b>Unsecured at amortised cost</b>		
Loans from related parties	123.89	424.21
Borrowings in india	123.89	424.21
Borrowings outside india	-	-
	<u>123.89</u>	<u>424.21</u>
Repayable upto 1 year (At interest rate of 12.78% to 13.67% p.a. Previous year: 11.55% to 14.70% p.a.)		
<b>22 Trade payables</b>		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of other than micro enterprises and small		
Trade payables from non-related parties	342.13	2.00
Trade payables from related parties	5.77	193.77
(i) Disputed dues of micro enterprises and small enterprises	-	-
(ii) Disputed dues of other than micro enterprises and small enterprises	-	-
	<u>347.90</u>	<u>195.76</u>



# Edelweiss Securities and Investments Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	As at 31 March 2022	As at 31 March 2021
<b>23 Other financial liabilities</b>		
Advances from customers	2,432.45	5.40
	<u>2,432.45</u>	<u>5.40</u>
<b>24 Other current liabilities</b>		
Income received in advance	-	0.03
Others	0.08	0.03
Statutory dues	3.73	9.45
	<u>3.81</u>	<u>9.51</u>
<b>25 Current tax liabilities (net)</b>		
Provision for taxation (net of advance tax and tax deducted at source)	87.82	2.27
	<u>87.82</u>	<u>2.27</u>



# Edelweiss Securities and Investments Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2022	for the year ended 31 March 2021
<b>26 Fee income</b>		
Advisory and other fees	0.03	0.07
	<u>0.03</u>	<u>0.07</u>
<b>26.1</b> Below is the disaggregation of the revenue from contracts with customers:		
Service transferred at a point in time	0.03	0.07
Service transferred over time	-	-
<b>Total revenue from contract with customers</b>	<u>0.03</u>	<u>0.07</u>
<b>27 Net gain on fair value changes</b>		
<b>Net gain/ (loss) on financial instruments at fair value through profit or loss</b>		
<b>(A) On trading portfolio</b>		
- Investments		
Profit / (loss) on trading of securities (net)	(74.11)	255.44
Fair value gain - P&L - equity	368.74	(15.87)
- Derivatives		
Profit / (loss) on equity derivative instruments (net)	131.04	39.17
Profit on trading in currency derivative instruments (net)	-	0.00
	<u>425.67</u>	<u>278.74</u>
<b>(B) Others</b>		
Profit on sale of long term investment	2.38	-
Gain on sale of investment (Group)	486.39	-
<b>Total Net gain/(loss) on fair value changes (A+B)</b>	<u>914.44</u>	<u>278.74</u>
<b>Fair value changes:</b>		
Realised gain	545.70	278.47
Unrealised gain/ (loss)	368.74	0.27
<b>Total net gain/loss on fair value changes</b>	<u>914.44</u>	<u>278.74</u>
<b>28 Dividend Income</b>		
Dividend on stock in trade	0.02	0.18
	<u>0.02</u>	<u>0.18</u>

(Note - \*0.00 indicates amount less than Rs 5,000)



## Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency Indian rupees in millions)

### 29 Interest income

Particulars	For the year ended 31 March 2022			For the year ended 31 March 2021		
	On financial assets measured at amortised cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On financial assets measured at amortised cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
Interest on Loans	37.43	-	37.43	62.53	-	62.53
Interest on deposits with Banks	0.01	-	0.01	0.88	-	0.88
Interest income on margin	0.28	-	0.28	0.25	-	0.25
Interest income from investments	39.82	12.35	52.17	0.42	18.68	19.10
On others	-	-	-	2.71	-	2.71
<b>Total</b>	<b>77.54</b>	<b>12.35</b>	<b>89.89</b>	<b>66.78</b>	<b>18.68</b>	<b>85.46</b>

### 30 Other income

Interest on Income tax refund  
Profit on sale of fixed assets (net)  
Miscellaneous income\*

For the year ended 31 March 2022

for the year ended 31 March 2021

	-	1.35
	0.77	-
	0.00	0.00
	<u>0.77</u>	<u>1.35</u>

(Note - \*0.00 indicates amount less than Rs 5,000)



# Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

## 31 Finance costs

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	On financial liabilities measured at amortised cost	Total	On financial liabilities measured at amortised cost	Total
Interest on borrowings	108.21	108.21	29.07	29.07
Other interest expense	0.59	0.59	6.70	6.70
<b>Total</b>	<b>108.80</b>	<b>108.80</b>	<b>35.77</b>	<b>35.77</b>



# Edelweiss Securities and Investments Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>32 Impairment on financial instruments</b>		
Bad- debts and advances written off	-	3.68
Provision for non performing assets	(0.01)	75.66
Provision for doubtful debts	-	2.01
	<u>(0.01)</u>	<u>81.35</u>
<b>33 Other expenses</b>		
Advertisement and business promotion	-	0.06
Auditors' remuneration (refer note below)	0.54	0.73
Commission and brokerage	341.65	153.43
Insurance	-	0.02
Legal and professional fees	0.42	2.46
Printing and stationery*	0.07	-
Rates and taxes*	-	0.00
Computer software	0.22	0.02
Corporate social responsibility - Donation	3.10	2.58
Clearing and eustodian charges	5.95	6.48
Office expenses*	-	0.00
ROC Expenses*	0.00	0.00
Securities transaction tax	1.39	6.40
Goods and Service tax expenses	15.72	1.19
Stamp duty	0.93	0.03
Stock exchange expenses	1.06	0.31
Transportation charges*	0.01	0.00
Warehousing charges*	-	0.00
Miscellaneous expenses	-	0.01
	<u>371.06</u>	<u>173.72</u>
<b>Note:</b>		
<b>Auditors' remuneration :</b>		
As auditor	0.50	0.62
For other services	0.04	0.11
	<u>0.54</u>	<u>0.73</u>

(Note - \*0.00 indicates amount less than Rs 5,000)



## Edelweiss Securities And Investments Private Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

#### 34 Segment reporting

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

Segment	Activities covered
Capital based business	Income from investments and dividend income
Agency business	Fee Income on advisory services
Treasury	Treasury income

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

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

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

The following table gives information as required under the Ind AS -108 - Operating Segment Reporting:

	Particulars	Year Ended	
		31 March 2022	31 March 2021
<b>1</b>	<b>Segment revenue [Total income]</b>		
	Agency	0.80	0.07
	Treasury Business	438.70	301.50
	Capital based business	566.02	62.94
	Unallocated	-	1.35
	<b>Total income</b>	<b>1,005.52</b>	<b>365.85</b>
<b>2</b>	<b>Segment results [Profit / (Loss) before tax]</b>		
	Agency	0.78	(1.10)
	Treasury Business	71.70	96.32
	Capital based business	457.82	(12.71)
	Unallocated	(4.66)	(8.65)
	<b>Total Profit / (loss) before tax</b>	<b>525.65</b>	<b>73.86</b>
	Less : Provision for taxation	185.77	45.03
	<b>Profit after taxation</b>	<b>339.88</b>	<b>28.83</b>
<b>3</b>	<b>Segment Assets</b>		
	Agency	0.01	0.24
	Treasury Business	2,809.86	10.65
	Capital based business	6,104.85	1,260.23
	Unallocated	74.11	155.19
	<b>Total assets</b>	<b>8,988.82</b>	<b>1,426.31</b>
<b>4</b>	<b>Segment Liabilities</b>		
	Agency	-	-
	Treasury Business	2,775.11	565.37
	Capital based business	3,514.65	60.06
	Unallocated	96.89	11.72
	<b>Total liabilities</b>	<b>6,386.65</b>	<b>637.15</b>



## Edelweiss Securities And Investments Private Limited

### Notes to the financial statements

(Currency: Indian Rupees)

#### 35 Related parties : In accordance with Indian Accounting Standard 24 - Related Party disclosure

##### i. List of related parties and relationship:

Name of related parties by whom control is exercised (Holding Company)	Edelweiss Financial Services Limited
Subsidiaries which are controlled by the Company	Edelweiss Alternative Asset Advisors Limited Edelweiss Real Assets Managers Limited Sekura India Management Limited
Fellow subsidiaries with whom the company has transactions	Edelweiss Rural & Corporate Services Limited  Edel Land Limited (refer note 2) Edelweiss Finvest Limited (merged with Edel Finance Company Ltd) Edelweiss Finance and Investments Limited (upto 26th March 2021) Edelweiss Broking Limited (upto 26th March 2021) Edelweiss Custodial Services Limited (upto 26th March 2021) Edelweiss Global Wealth Management Limited Edel Investments Limited Edel Finance Company Ltd Edelweiss Asset Management Limited ECL Finance Limited EdelGive Foundation Edelweiss Asset Reconstruction Company Limited Edelweiss Securities Limited (upto 26th March 2021)
Associates of Holding Company with whom the company has transactions	Edelweiss Finance and Investments Limited (w. e. f. 27th March 2021)  Edelweiss Broking Limited (w. e. f. 27th March 2021) Edelweiss Custodial Services Limited (w. e. f. 27th March 2021) Edelweiss Securities Limited (w. e. f. 27th March 2021)
Key Managerial personnel and Relatives with whom the company has transactions	Tarun Khurana (Director)  Anamika Khurana (Spouse of Tarun Khurana)



## Edelweiss Securities And Investments Private Limited

### Notes to the financial statements

(Currency: Indian rupees in millions)

#### Related parties : In accordance with Indian Accounting Standard 24 - Related Party disclosure

##### Transactions with related parties

Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Capital account transactions</b>			
Term loans taken from (refer note below) (Maximum of debit and credit transaction)	Edelweiss Rural & Corporate Services Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Financial Services Limited Edel Finance Company Ltd Edel Land Limited (refer note 2)	(850.00) (110.00) (2,296.50) (250.00) (200.00)	797.13 250.00 - 850.00 336.30
Term loans repaid to (refer note below) (Maximum of debit and credit transaction)	Edelweiss Rural & Corporate Services Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Financial Services Limited Edel Finance Company Ltd Edel Land Limited (refer note 2)	1,702.00 200.00 850.00 - 200.00	797.13 - - 700.00 336.30
Term loans taken from (refer note below) (Total of debit and credit transaction)	Edelweiss Rural & Corporate Services Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Financial Services Limited Edel Finance Company Ltd Edel Land Limited (refer note 2)	(5,009.17) (110.00) (2,296.50) (400.00) (200.00)	1,013.21 250.00 - 850.00 813.63
Term loans repaid to (refer note below) (Total of debit and credit transaction)	Edelweiss Rural & Corporate Services Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Financial Services Limited Edel Finance Company Ltd Edel Land Limited (refer note 2)	3,489.19 (250.00) (850.00) - 200.00	1,788.06 - - 700.00 1,319.73
Short term loans given (refer note below) (Maximum of debit and credit transaction)	ECap Equities Limited Edelweiss Rural & Corporate Services Limited Edelweiss Global Wealth Management Limited Edelweiss Broking Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Finance and Investments Limited	- - - - - -	25.40 543.40 462.73 220.00 450.00 350.00
Short term loans repaid by (refer note below) (Maximum of debit and credit transaction)	ECap Equities Limited Edelweiss Rural & Corporate Services Limited Edelweiss Global Wealth Management Limited Edelweiss Broking Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Finance and Investments Limited	- 0.40 - - - -	25.20 421.30 462.73 186.30 450.00 543.50
Short term loans given (refer note below) (Total of debit and credit transaction)	ECap Equities Limited Edelweiss Rural & Corporate Services Limited Edelweiss Global Wealth Management Limited Edelweiss Broking Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Finance and Investments Limited	- - - - - -	35.29 576.70 861.05 1,324.40 492.95 1,533.50
Short term loans repaid by (refer note below) (Total of debit and credit transaction)	ECap Equities Limited	-	35.29
Term loans repaid by (refer note below) (Total of debit and credit transaction)	Edelweiss Rural & Corporate Services Limited Edelweiss Global Wealth Management Limited Edelweiss Broking Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Finance and Investments Limited	0.40 - - - -	576.30 1,034.06 1,324.40 492.95 1,533.50
Partnership firm capital received back	Edelvalue Partners	-	-
Margins placed with (refer note below) (Maximum of debit and credit transaction)	Edelweiss Custodial Services Limited	388.57	37.66
Margins withdrawn from (refer note below) (Maximum of debit and credit transaction)	Edelweiss Custodial Services Limited	388.07	37.52
Margins placed with (refer note below) (Total of debit and credit transaction)	Edelweiss Custodial Services Limited	3,037.88	202.54
Margins withdrawn from (refer note below) (Total of debit and credit transaction)	Edelweiss Custodial Services Limited	3,037.58	202.40



## Edelweiss Securities And Investments Private Limited

### Notes to the financial statements

(Currency - Indian Rupees)

Related parties : In accordance with Indian Accounting Standard 24 - Related Party disclosure (Continued)

Transactions with related parties

Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Current account transactions</b>			
Interest income on margin placed with	Edelweiss Custodial Services Limited	0.28	0.00
Interest expense on margin from	Edelweiss Broking Limited	-	0.00
Interest income on debt instruments	Edelweiss Finance and Investments Limited	-	0.05
	ECL Finance Limited	-	0.65
	Edelweiss Rural & Corporate Services Limited	-	17.53
Interest expense on loans taken from	Edelweiss Alternative Asset Advisors Limited	17.77	0.17
	Edelweiss Rural & Corporate Services Limited	65.72	21.89
	Edelweiss Financial Services Limited	3.33	-
	Edel Land Limited (refer note 2)	0.08	6.90
	Edel Finance Company Ltd	21.32	-
	Edelweiss Finvest Limited	-	0.10
Interest income on CCDs	Edelweiss Alternative Asset Advisors Limited	39.82	0.42
Interest income on loans given to	Edelweiss Rural & Corporate Services Limited	0.02	1.51
	Edelweiss Global Wealth Management Limited	37.42	54.85
	Edelweiss Alternative Asset Advisors Limited	-	1.54
	Edelweiss Finance and Investments Limited	-	11.58
	Edelweiss Broking Limited	-	13.41
	Edel Land Limited (refer note 2)	-	0.06
Interest income on debt instrument of	Edelweiss Rural & Corporate Services Limited	12.40	-
Purchase of debt securities from	ECL Finance Limited	-	529.19
	Edelweiss Finance and Investments Limited	-	655.00
	Edelweiss Rural & Corporate Services Limited	-	15.23
	Edel Land Limited (refer note 2)	1,650.20	-
Sale of debt securities to	Edelweiss Finance and Investments Limited	0.45	393.65
	Edelweiss Broking Limited	0.69	32.10
	Edel Land Limited (refer note 2)	1,655.20	838.98
Redemption of debt instruments	Edelweiss Asset Reconstruction Company Limited	-	265.69
Purchase of warrants	ECL Finance Limited	-	40.00
Purchase of Investments	Edel Land Limited (refer note 2)	199.98	-
	Edelweiss Alternative Asset Advisors Limited (CCD)	250.00	850.00
	Edelweiss Alternative Asset Advisors Limited (Equity)	0.05	100.05
	Edelweiss Rural & Corporate Services Limited	1,451.97	-
	Edel Finance Company Ltd	846.89	-
	Edelweiss Real Assets Managers Limited	110.50	-
	Sekura India Management Limited	0.50	-
	Edelweiss Securities Limited	936.03	-
Sale of Investment	Edelweiss Securities Limited	1,023.44	-
Purchase of Equity	Edelweiss Securities Limited	1,657.72	-
Sale of Equity	Edelweiss Securities Limited	1,590.95	-
Sale of Intangible assets	Edelweiss Finance and Investments Limited	0.77	-
Cost reimbursements from	Edelweiss Asset Management Limited	23.24	-
	Edelweiss Alternative Asset Advisors Limited	19.55	-
	Edelweiss Rural & Corporate Services Limited	-	0.00
	Edelweiss Securities Limited	-	0.08



## Edelweiss Securities And Investments Private Limited

### Notes to the financial statements

(Currency: Indian Rupees)

#### Related parties : In accordance with Indian Accounting Standard 24 - Related Party disclosure (Continued)

##### Transactions with related parties

Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of Intangible assets from	Edelweiss Global Wealth Management Limited	-	1.16
Cost reimbursements paid to	ECap Equities Limited	-	1.00
	Edelweiss Financial Services Limited	-	0.02
	Edelweiss Broking Limited	-	25.21
	ECL Finance Limited	-	120.00
	Edelweiss Rural & Corporate Services Limited	43.01	0.01
Referral and commission	Edelweiss Securities Limited	34.62	-
Trade exposure charges	Edelweiss Custodial Services Limited	4.98	-
Clearing charges paid to	Edelweiss Custodial Services Limited	0.06	0.11
Interest on Delayed Payment	Edelweiss Custodial Services Limited	-	5.57
Demat charges paid	Edelweiss Custodial Services Limited	-	200.00
Brokerage paid to	Edelweiss Securities Limited	-	9.67
	Edel Investments Limited	-	0.10
Contribution towards corporate social responsibilities	EdelGive Foundation	3.10	2.58
Advance from Customers for shares	Anamika Khurana	5.70	-
<b>Balances with related parties</b>			
Term loans taken from	Edelweiss Rural & Corporate Services Limited	1,544.26	23.88
	Edelweiss Alternative Asset Advisors Limited	110.00	250.00
	Edelweiss Financial Services Limited	1,446.50	-
	Edel Finance Company Ltd	490.00	150.00
Short term loans given to	Edelweiss Global Wealth Management Limited	287.18	287.18
Accrued interest income on CCDs	Edelweiss Alternative Asset Advisors Limited	0.00	0.42
Accrued interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited	7.38	0.00
	Edelweiss Financial Services Limited	3.00	0.09
	Edelweiss Alternative Asset Advisors Limited	1.15	0.16
	Edel Finance Company Ltd	2.37	-
Accrued interest income on loans given to	Edelweiss Global Wealth Management Limited	2.91	2.48
	Edelweiss Rural & Corporate Services Limited	-	1.49
	Edelweiss Finance and Investments Limited	-	1.54
	Edelweiss Alternative Asset Advisors Limited	-	1.05
Accrued interest income on debt instruments	ECL Finance Limited	-	0.05
	Edelweiss Finance and Investments Limited	-	0.01
Trade receivables from	Edelweiss Custodial Services Limited	0.50	-
	Edelweiss Financial Services Limited	0.25	-
	Edelweiss Asset Management Limited	5.83	-
	Edelweiss Alternative Asset Advisors Limited	3.10	-
Trade payables to	Edel Land Limited (refer note 2)	-	1.11
	Edelweiss Rural & Corporate Services Limited	5.32	-
	Edelweiss Securities Limited	-	-
	ECL Finance Limited	-	192.66
Debt instruments held as Stock in trade	Edel Finance Company Ltd	0.13	-
	Edelweiss Finance and Investments Limited	-	0.45
Issue of Equity shares	ECL Finance Limited	-	0.68
	Edelweiss Finance and Investments Limited	-	0.68
Issue of Equity shares	Edelweiss Financial Services Limited	3,150.54	-
	Edelweiss Global Wealth Management Limited	4,097.01	-
Margins receivable from	Edelweiss Custodial Services Limited	0.28	-
Advance from Customers for shares	Anamika Khurana	5.70	-

Note 1: Loan given/taken to/from related parties as disclosed above as maximum of debit and credit of transactions and total of debit and credit of transactions amount given/taken and placed /received during the reporting year.

Note 2: Pursuant to the composite scheme of arrangement and amalgamation under section 230 to 232 of the Companies Act, 2013 Edel Land Limited ('Amalgamated or Resulting Company'), ECap Equities Limited ('Demerged Company' - defined in the scheme as demerged undertaking and thereby carry activities, business, operations and undertakings of the Demerged Company forming part of the Trading and Capital Markets (Investment) and GC Commodities Limited ('Amalgamating Company') has been amalgamated with effect from 01 April 2020 ('the Appointed date').



## Edelweiss Securities and Investments Private Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

#### 36 Earnings per share:

The following table shows the income and share data used in the basic and diluted EPS calculations

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Profit / (loss) after tax (as per statement of profit and loss)	339.88	28.82
(b) Calculation of weighted average number of equity shares of Rs. 10 each:		
Number of shares outstanding at the beginning of the year (refer note 1)	1,56,774	1,56,774
Number of Shares issued during the year (refer note 19)	4,56,711	-
Total number of equity shares outstanding at the end of the year	6,13,485	1,56,774
Weighted average number of equity shares outstanding during the year	6,13,485	1,56,774
(c) Basic and diluted earnings per share (in rupees) (a)/(b)	554.01	183.82

Number of shares issued under scheme of arrangement considered for the purpose of calculation of Earnings per share for the year ended 31 March 2022.

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

#### 37 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.

#### 38 Capital commitment and contingent liability:

##### (a) Capital commitment:

The Company has capital commitments of Rs.Nil as at the balance sheet date (Previous year: Rs.Nil).

##### (b) Contingent liability:

i) The Company has no contingent liability as at the balance sheet date (Previous year Rs. Nil).



# Edelweiss Securities and Investment Private Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 39 Risk management framework:-

#### a) Governance framework

The primary objective of the company's risk and financial management framework is to protect the company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.

#### b) Approach to capital management

Company objectives when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Company monitors capital using debt-equity ratio, which is total debt divided by total equity

Particulars	As at 31st March 2022	As at 31st March 2021
Total Debt (Bank and other Borrowings)	3,514.65	424.21
Equity	2,602.19	789.16
Net Debt to Equity	1.35	0.54

#### c) Credit risk

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and financial instruments.

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

The Company's financial assets subject to the expected credit loss model within Ind AS 109 are short-term trade and other receivables and financial instruments. Company applies the expected credit loss model for recognising impairment loss. Expected credit loss allowance in respect of receivables is computed based on a provision matrix which takes into account historical credit loss experience.

#### Trade receivables

Particulars	31 March 2022	31 March 2021
Receivables considered good - Unsecured (Group)	9.18	-
Receivables considered good - Unsecured	0.37	0.33
	9.55	0

#### Provision matrix for Trade receivables

	Trade receivables days past due	1-90days	Total
ECL rate		0%	
31 March 2022	Estimated total gross carrying amount at default	9.55	9.55
	ECL - Simplified approach	-	-
	Net carrying amount	9.55	9.55
31 March 2021	Estimated total gross carrying amount at default (Group)	0.33	0.33
	ECL - Simplified approach	-	-
	Net carrying amount	0.33	0.33



## Edelweiss Securities and Investment Private Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

#### 39 Risk management framework:- (Continued)

##### d) Market risks

Risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to price risk. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.

##### i) Total market risk exposure

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

Particulars	31 March 2022			31 March 2021		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cashequivalent and otherbank balances	350.22	-	350.22	2.85	-	2.85
Stock-in-trade	2,458.05	2,458.05	-	6.55	6.55	-
Loans (Group)	290.04	-	290.04	293.70	-	293.70
Trade receivables	9.55	-	9.55	0.33	-	0.33
Investments at cost - Group	4,775.30	-	4,775.30	950.47	-	950.47
Other financial assets	1,024.43	-	1,024.43	0.05	-	0.05
<b>Total</b>	<b>8,908.59</b>	<b>2,458.05</b>	<b>6,450.54</b>	<b>1,253.95</b>	<b>6.55</b>	<b>1,247.40</b>
<b>Liability</b>						
Borrowings (other than Debt Securities) (Group)	3,514.65	-	3,514.65	424.21	-	424.21
Deposits	-	-	-	-	-	-
Trade payables	342.13	-	342.13	2.00	-	2.00
Trade payables (Group)	5.77	-	5.77	193.77	-	193.77
Other liabilities	2,432.45	2,432.45	-	5.40	5.40	-
<b>Total</b>	<b>6,295.00</b>	<b>2,432.45</b>	<b>3,862.55</b>	<b>625.37</b>	<b>5.40</b>	<b>619.97</b>



# Edelweiss Securities and Investment Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

## 39 Risk management framework:- (Continued)

### d) Market risks

#### (ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

#### (iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings.

#### (iv) Equity price risk

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

31 March 2022						
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Equity	5	122.90	-	5	(122.90)	-

31 March 2021						
Impact on	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Debentures	5	0.05	-	5	(0.05)	-
Equity	5	0.27	-	5	(0.27)	-

#### (v) Index price risk

Index price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of equity indices.



## Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 39 Risk Management framework:- (Continued)

#### e) Liquidity Risk

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

#### i) 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:

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 31 March 2022	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables (Group)	5.77	-	-	-	-	5.77
Trade payables	342.13	-	-	-	-	342.13
Borrowings (other than debt securities) (Group)	-	123.89	3,390.76	-	-	3,514.65
Other financial liabilities	2,432.45	-	-	-	-	2,432.45
<b>Total undiscounted non-derivative financial liabilities</b>	<b>2,780.36</b>	<b>123.89</b>	<b>3,390.76</b>	<b>-</b>	<b>-</b>	<b>6,295.00</b>

As at 31 March 2021	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables (Group)	193.77	-	-	-	-	193.77
Trade payables	2.00	-	-	-	-	2.00
Borrowings (other than debt securities) (Group)	424.21	-	-	-	-	424.21
Other financial liabilities	5.40	-	-	-	-	5.40
<b>Total undiscounted non-derivative financial liabilities</b>	<b>625.37</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>625.37</b>

#### ii) Analysis of non-derivative financial assets by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial assets:

As at 31 March 2022	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	350.07	0.15	-	-	-	350.22
Stock-in-trade	2,458.05	-	-	-	-	2,458.05
Trade receivables	9.55	-	-	-	-	9.55
Investments at cost - Group	0.00	-	-	-	4,546.00	4,546.00
Loans (Group)	-	290.04	-	-	-	290.04
Other financial assets	1,024.38	0.05	-	-	-	1,024.43
<b>Total</b>	<b>3,842.06</b>	<b>290.23</b>	<b>-</b>	<b>-</b>	<b>4,546.00</b>	<b>8,678.29</b>

As at 31 March 2021	0 to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	2.71	-	0.14	-	-	2.85
Stock-in-trade (Group)	1.15	-	-	-	-	1.15
Stock-in-trade	5.40	-	-	-	-	5.40
Trade receivables (Group)	0.33	-	-	-	-	0.33
Investments at cost - Group	-	-	-	950.47	-	950.47
Loans (Group)	293.70	-	-	-	-	293.70
Other financial assets	0.00	0.05	-	-	-	0.05
<b>Total</b>	<b>303.29</b>	<b>0.05</b>	<b>0.14</b>	<b>950.47</b>	<b>-</b>	<b>1,253.95</b>



## Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 39 Risk management framework:- (Continued)

#### e) Liquidity Risk (Continued)

#### iv) Disclosure related to collateral

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

As at 31 March 2022	Pledge as collateral	Available as collateral	others (refer note )	Total carrying amount
Cash and cash equivalent including bank balance	0.15	-	350.07	350.22
Stock in trade	-	-	2,458.05	2,458.05
Trade receivables	-	9.55	-	9.55
Loans (Group)	-	290.04	-	290.04
Investments at cost - Group	3,234.89	1,540.41	-	4,775.30
Other financial assets	-	1,024.43	-	1,024.43
<b>Total assets</b>	<b>3,235.04</b>	<b>5,322.48</b>	<b>2,808.13</b>	<b>11,365.65</b>

As at 31 March 2021	Pledge as collateral	Available as collateral	others (refer note )	Total carrying amount
Cash and cash equivalent including bank balance	0.14	-	2.71	2.85
Stock in trade - Group	-	1.15	-	1.15
Stock in trade	-	5.40	-	5.40
Trade receivables (Group)	-	0.33	-	0.33
Loans (Group)	-	293.70	-	293.70
Investments (Group)	-	950.47	-	950.47
Other financial assets	-	0.05	-	0.05
<b>Total assets</b>	<b>0.14</b>	<b>1,251.10</b>	<b>2.71</b>	<b>1,253.95</b>

Note : 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





Particulars	31 March 2022		31 March 2021	
	Within 12 months	After 12 months	Within 12 months	After 12 months
<b>Financial assets</b>				
Cash and cash equivalents	350.07	-	2.71	-
Other bank balances	-	0.15	0.14	-
Stock-in-trade	2,458.05	2,458.05	6.55	-
Trade receivables	9.55	-	0.35	-
Loans	290.04	-	293.76	-
Investments	-	4,775.30	-	950.47
Other financial assets	1,024.43	-	0.35	-
<b>Non-financial assets</b>	4,132.14	4,775.45	303.77	950.47
Current tax assets (net)	-	28.10	-	20.65
Deferred tax assets (net)	-	21.89	-	105.01
Property, plant and equipment	31.23	0.01	47.00	-
Other non-financial assets	31.23	-	47.00	-
<b>Total assets</b>	4,163.37	4,825.45	350.77	1,076.14
				1,426.91
<b>Financial liabilities</b>				
Trade payables	347.90	-	195.76	-
Borrowing (other than debt securities)	123.89	3,390.76	424.21	-
Other financial liabilities	2,432.45	2,432.45	5.40	-
Non-financial liabilities	2,904.24	3,390.76	625.37	-
Current tax liabilities (net)	87.83	-	2.27	-
Other non-financial liabilities	3.81	-	9.52	-
<b>Total liabilities</b>	2,995.89	3,390.76	637.65	-
				637.65

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

40 Maturity analysis of assets and liabilities

(Currency: Indian rupees in millions)

Notes to the financial statements (Continued)

Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

41. Analysis of risk concentration

Industry analysis - Risk concentration for 31 March 2022

Particulars	Financial services	Construction	Total
<b>Financial assets</b>			
Cash and cash equivalent and other bank balances	350.22	-	350.22
Financial assets carried at fair value through profit and loss			-
Stock in trade	2,458.05	-	2,458.05
Investments at cost - Group	4,775.30	-	4,775.30
Trade and other receivables	9.55	-	9.55
Loans (Group)	290.04	-	290.04
Other financial assets	1,024.43	-	1,024.43
	<b>8,907.59</b>	-	<b>8,907.59</b>
Other Commitments	-	-	-
<b>Total</b>	<b>8,907.59</b>	-	<b>8,907.59</b>

Industry analysis - Risk concentration for 31 March 2021

Particulars	Financial services	Construction	Total
<b>Financial assets</b>			
Cash and cash equivalent and other bank balances	2.85	-	2.85
Stock in trade (Group)	1.15	-	1.15
Stock in trade	5.40	-	5.40
Investments at cost - Group	950.47	-	950.47
Trade and other receivables	0.33	-	0.33
Loans (Group)	293.70	-	293.70
Other financial assets	0.05	-	0.05
	<b>1,253.95</b>	-	<b>1,253.95</b>
Other Commitments	-	-	-
<b>Total</b>	<b>1,253.95</b>	-	<b>1,253.95</b>



**Edelweiss Securities and Investments Private Limited**

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

(Currency: Indian rupees in millions)

**42 Fair Values of Financial Instruments**

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

Particulars	31 March 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Investments in Units of AIF			229.30	229.30
<b>Total derivative financial instruments (Assets)</b>	-	-	229.30	229.30
<b>Stock-in-trade</b>				
Other debt securities and preference shares - Group	-	-	-	-
Equity instruments	-	-	2,458.05	2,458.05
<b>Total stock-in-trade</b>	-	-	2,458.05	2,458.05
<b>Total financial assets measured at fair value on a recurring basis</b>	-	-	2,687.35	2,687.36

Particulars	31 March 2021			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
Derivative financial instruments (Assets):				
Exchange-traded derivatives	-	-	-	-
<b>Total derivative financial instruments (Assets)</b>	-	-	-	-
<b>Stock-in-trade</b>				
Other debt securities and preference shares - Group	1.15	-	-	1.15
Equity instruments	-	-	5.40	5.40
<b>Total stock-in-trade</b>	1.15	-	5.40	6.55
<b>Total financial assets measured at fair value on a recurring basis</b>	1.15	-	5.40	6.55

Fair valuation techniques:

- (i) **Debt securities**  
 Whilst most of these instruments are standard fixed or floating rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Company has used CRISIL Corporate Bond Valuer model for measuring fair value.
- (ii) **Equity instruments and units of Alternative Investment Funds**  
 The majority of equity instruments are actively traded on recognized stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Units held in funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such NAV Such instruments are generally Level 3. Equity instruments in non-listed entities are initially recognised at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Unlisted equity securities are classified at Level 3.
- (iii) **Derivatives**  
 The Company enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are exchange traded futures and options contracts. The most frequently applied valuation techniques include quoted price for exchange traded derivatives and Black Scholes models (for option valuation).



## Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 42 Fair values of financial instruments (continued)

#### (b) Movement in level 3 financial instruments measured at fair value

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

Particulars	Investments in units of AIF	Stock in trade - Non Convertible Debentures/ Nifty linked debentures	Investments in unquoted equity shares categorised at Level 3	Investments in Warrants	Total
At 1 April 2021	-	-	5.40	-	5.40
Purchase	226.68	-	2,095.97	-	2,323.66
Sales	(5.09)	-	(4.32)	-	(9.41)
Gains / (losses) for the period (2021-22) recognised in profit or loss	7.71	-	361.00	-	368.71
At 31 March 2022	229.30	-	2,458.05	-	2,688.00
Unrealised gains / losses related to balances held at the end of the year	7.71	-	361.00	-	368.71

Particulars	Investments in units of AIF	Stock in trade - Nifty linked debentures	Investments in unquoted equity shares categorised at Level 3	Investments in Warrants	Total
At 1 April 2020	-	283.25	1,020.00	-	1,303.25
Purchase	-	711.03	510.02	60.00	1,301.05
Sales	-	(1,016.53)	(1,628.39)	-	(2,644.92)
Gains / (losses) for the period (2019-20) recognised in profit or loss	-	22.25	83.77	(60.00)	46.02
At 31 March 2021	-	-	5.40	-	5.40
Unrealised gains / (losses) related to balances held at the end of the year	-	-	(0.06)	-	(0.06)



## Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 42 Fair values of financial instruments (continued)

#### (c) Unobservable inputs used in measuring fair value categorised within Level 3

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

Type of Financial Instruments	Fair value of asset as on 31 March 2022	Fair value of liability as on 31 March 2022	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in unquoted equity shares categorised at Level 3	2,458.05	-	Fair Valuation – bidding process	Price per shares	Rs. 3,168 per shares	5%	122.90	5%	(122.90)
Investments in units of AIF	229.30	-	Net assets approach	Fair value of underlying investments	NAV per unit Rs. 1142.04 - 12,292.40	5%	11.47	5%	(11.47)
<b>Total</b>	<b>2,687.36</b>	<b>-</b>					<b>134.37</b>		<b>(134.37)</b>

Type of Financial Instruments	Fair value of asset as on 31 March 2021	Fair value of liability as on 31 March 2021	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in unquoted equity shares categorised at Level 3	5.40	-	Fair Valuation – bidding process	Price per shares	Rs. 1,080 per shares	5%	0.27	5%	(0.27)
<b>Total</b>	<b>5.40</b>	<b>-</b>					<b>0.27</b>		<b>(0.27)</b>



## Edelweiss Securities and Investments Private Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

#### 44 Composite scheme of arrangement

The Board of Directors of the Company at its meeting held on April 07, 2021, had approved the Composite scheme of arrangement amongst Edelweiss Securities Limited ("ESL"), Edelweiss Global Wealth Management Limited ("EGWML") and their respective shareholders and creditors, under section 230 to 232 and other applicable provisions of the Companies Act, 2013, which inter-alia envisaged the following:

- (i) Demerger of Asset Management Business Undertaking of ESL into the Company.
- (ii) Demerger of Wealth Management Business Undertaking of EGWML into the ESL.

The National Company Law Tribunal Bench at Mumbai (Tribunal) has approved the aforementioned Scheme on March 31, 2022 under the applicable provisions of the Companies Act, 2013. Certified copy of the said order of the Tribunal was received by the Company on April 05, 2022 and filed with the Registrar of Companies on April 22, 2022.

Accordingly, the Board of Directors of the respective companies at its meeting held on April 22, 2022 have decided to give effect to the Scheme in the following manner based on the order of Tribunal:

- (i) Demerger of Asset Management Business with effect from Appointed date April 01, 2021.
- (ii) Demerger of Wealth Management Business Undertaking with effect from Appointed date April 26, 2022.

As per the Scheme, the Company will receive assets and liabilities from ESL at the respective books values from the appointed date and issue shares as a consideration to EGWML and EFSL.

Since the Scheme was sanctioned by the NCLT on March 31, 2022, it is an adjusting event in accordance with IND AS 10. Accordingly, the financial statements for the year ended March 31, 2022 have been presented after taking effect of aforementioned demerger considering book value of assets and liabilities of Asset Management Business and Wealth Management Business Undertaking as at March 31, 2022.

#### ESL Asset Management Business into ESIPL

Assets and Liabilities of Asset Management Business as at March 31, 2022

Particular	Amount (Mn.)
<b>Financial assets</b>	
Investment	1,473.13
Other financial assets	0.04
<b>Total financial assets</b>	<b>1,473.16</b>
<b>Non-financial assets</b>	
Property, Plant and Equipment	0.01
<b>Total non-financial assets</b>	<b>0.01</b>
<b>TOTAL ASSETS</b>	<b>1,473.17</b>
<b>Non-financial liabilities</b>	
Other non-financial liabilities	0.05
	0.05
<b>Net Assets Received</b>	<b>1,473.13</b>

The Company has issued 2,58,177 Equity shares of Rs. 10/- each fully paid up to Edelweiss Financial Services Limited and 1,98,534 Equity shares of Rs. 10/- each fully paid up to Edelweiss Global Wealth Management Limited respectively at 15.869 per share. The Excess of consideration in the equity shares issued after the net assets received is shown as Capital Reserve, (refer note.19)



**Edelweiss Securities and Investments Private Limited**

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

**42 Fair values of financial instruments (continued)**

**(d) Financial instruments not measured at fair value**

The following table sets out the fair values of financial instruments not measured at fair value and analysing them by the level in the fair value hierarchy into which each fair value measurement is categorised.

Particulars	31 March 2022				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and cash equivalent	350.07	350.07	350.07	-	-
Bank balances other than cash and cash equivalent	0.15	0.15	0.15	-	-
Trade Receivables	9.55	9.55	-	9.55	-
Loans - Group	290.04	290.04	-	-	290.04
Investments at cost - Group	4,546.00	4,546.00	-	4,546.00	-
Other financial assets	1,024.43	1,024.43	-	1,024.43	-
<b>Total</b>	<b>6,220.24</b>	<b>6,220.24</b>	<b>350.22</b>	<b>5,579.98</b>	<b>290.04</b>
<b>Financial liabilities</b>					
Trade payables	342.13	342.13	-	342.13	-
Trade payables - Group	5.77	5.77	-	5.77	-
Borrowing (other than debt securities) - Group	3,514.65	3,514.65	-	3,514.65	-
<b>Total</b>	<b>6,295.00</b>	<b>6,295.00</b>	<b>-</b>	<b>6,295.00</b>	<b>-</b>

Particulars	31 March 2021				
	Total Carrying Amount	Total fair value	Level 1	Level 2	Level 3
<b>Financial assets:</b>					
Cash and cash equivalent	2.71	2.71	2.71	-	-
Bank balances other than cash and cash equivalent	0.14	0.14	0.14	-	-
Trade Receivables -Group	0.33	0.33	-	0.33	-
Loans - Group	293.70	293.70	-	293.70	-
Investments at cost - Group	950.47	950.47	-	950.47	-
Other financial assets	0.05	0.05	-	0.05	-
<b>Total</b>	<b>1,247.40</b>	<b>1,247.40</b>	<b>2.85</b>	<b>1,244.55</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade payables	2.00	2.00	-	2.00	-
Trade payables - Group	193.77	193.77	-	193.77	-
Borrowing (other than debt securities) - Group	424.21	424.21	-	424.21	-
<b>Total</b>	<b>619.97</b>	<b>619.97</b>	<b>-</b>	<b>619.97</b>	<b>-</b>



## Edelweiss Securities and Investments Private Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

#### 43 Cash Flow disclosure:

##### Change in liabilities arising from financing activities

Particulars	1 April 2021	Cash flows	Others*	31 March 2022
Borrowings other than debt securities	424.21	3,076.88	13.56	3,514.65
Deposits	-	-	-	-
Total liabilities from financing activities	424.21	3,076.88	13.56	3,514.65

\* Includes the effect of accrued but not paid interest on borrowing, amortisation of processing fees etc.

Particulars	1 April 2020	Cash flows	Others*	31 March 2021
Borrowings other than debt securities	1,308.60	(879.4)	(5.0)	424.21
Deposits	-	-	-	-
Total liabilities from financing activities	1,308.60	(879.4)	(5.0)	424.21

\* Includes the effect of interest accrued but not paid interest on financing liabilities.



## Edelweiss Securities and Investments Private Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

#### 45 Earnings and expenditure in foreign currency

The Company did not have any earnings or expenditure in foreign currency during the reporting year. (Previous year Nil)

#### 46 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. 3.08 Mn. (Previous year: Rs.2.57 Mn.)

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	3.10	-	3.10

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Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit ratio	15.69%	3.55%
Return on Equity	20.04%	3.72%
Return on investment	30.41%	14.68%
Return on Capital employed	10.37%	9.04%
Debt Equity Ratio	1.35	0.54

The variation in above ratios for the year ended March 31, 2022 vis-à-vis year ended March 31, 2021 is on account of Composite scheme of arrangement as per note 44.

Return on Equity : Net profit/Average Shareholders funds

Return on investment : Net profit for the year of Subsidiaries and Associates/Amount invested in Subsidiaries and Associates

Return on Capital employed : Earnings before interest & Tax/(Total Equity+Long term borrowings + short term borrowings )

Debt-equity Ratio : Borrowings (other than debt securities)) / Net Worth

Current ratio, Debtors ratio, inventory turnover ratio, trade payables turnover ratio, net capital turnover ,liquidity coverage ratio are not applicable owing to the business model of the company.



Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

48 Additional Disclosures

48.1 Title deeds of Immovable Properties not held in name of the Company

The Company do not have any immovable properties where title deeds are not held in the name of the company.

48.2 Loans and Advances

There are no loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment.

48.3 Details of Benami Property held

The Company do not have any benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

48.4 Security of current assets against borrowings

The Company has no borrowings from banks or financial institutions on the basis of security of current assets.

48.5 Wilful Defaulter

The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

48.6 Relationship with Struck off Companies

The Company do not have any transactions with companies struck off.

48.7 Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

48.8 Utilisation of Borrowed funds and share premium:

(A) During the year, the company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

48.9 Undisclosed Income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

48.10 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.



Edelweiss Securities and Investments Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

49 Prior period comparatives

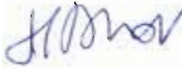
Previous year's numbers have been regrouped and rearranged wherever necessary to confirm to current year's presentation.

As per our report of even date attached.

For GMJ & Co.

Chartered Accountants

Firm's Registration No.: 103429W



Haridas Bhat

Partner

Membership No. 039070

Mumbai

20 May 2022



For and on behalf of the Board of Directors



Ananya Suneja

Non-executive Director

DIN:07297081

Mumbai

20 May 2022



Tarun Khurana

Non-executive Director

DIN:03280026

Mumbai

20 May 2022

