

## **Edelweiss Asset Management Limited**

**Corporate Identity Number: U65991MH2007PLC173409**

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

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Edelweiss Asset Management Limited

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Edelweiss Asset Management 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 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 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 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 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 financial statements.

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

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

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



### **Responsibility of Management for the 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 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 / Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the 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 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30(iii) to the financial statements;



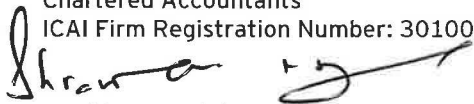


- ii. The Company did not have any long-term contracts including derivative contracts for which were any material foreseeable lossess - Refer Note 43 to the financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its knowledge and belief, 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 Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
b) The management has represented that, to the best of its knowledge and belief, 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 performed that have been 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 S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 22102102AILUQW5558

Place: Mumbai

Date: May 05, 2022



Annexure 1 referred to under the heading "Report on other legal and regulatory requirements" of our report of even date

**Re: Edelweiss Asset Management Limited ("the Company")**

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i)(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i)(b) The Company has a regular programme of physical verification of its property, plant and equipment and are verified by the management according to a phased programme designed to cover all the items 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 the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no discrepancies were noticed in respect of assets verified during the year.
- (i)(c) 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.
- (i)(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (i)(e) 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's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
- (ii)(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) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (iii)(b) During the year, the terms and conditions of investments made are not prejudicial to the interest of the Company.
- (iii)(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (iii)(d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (iii)(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (iii)(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) 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. Further, according to the information and explanations given to us, provisions of sections 186 of the Companies Act, 2013 in respect of investments have been complied with by the Company.
- (v) 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) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of sales-tax, service tax, duty of custom, duty of excise and value added tax.
- (vii)(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
- (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) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix)(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (ix)(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (ix)(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (ix)(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, 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.
- (x)(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) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.





- (xi)(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ 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.
- (xi)(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii)(a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (xii)(b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (xii)(c) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management and audit procedures performed, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv)(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) 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) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi)(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.
- (xvi)(c) 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.
- (xvi)(d) The Group has one Core Investment Company as part of the Group.
- xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (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 disclosed in note 46.8 to the financial statements, 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



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

**Chartered Accountants**

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.

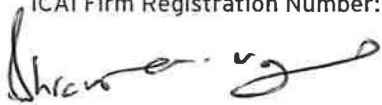
(xx)(a) During the year, section 135 regarding Corporate Social Responsibility of the Act is not applicable to the company, accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(xx)(b) During the year, section 135 regarding Corporate Social Responsibility of the Act is not applicable to the company, accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

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

**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005



**per Shrawan Jalan**

**Partner**

**Membership Number: 102102**

**UDIN: 22102102AILUQW5558**

**Place: Mumbai**

**Date: May 05, 2022**



**Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of Edelweiss Asset Management Limited**

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

To the Members of Edelweiss Asset Management Limited

We have audited the internal financial controls over financial reporting of Edelweiss Asset Management Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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





**Meaning of Internal Financial Controls over financial reporting With Reference to these Financial Statements**

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

**Inherent Limitations of Internal Financial Controls over financial reporting With Reference to Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

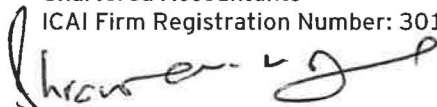
**Opinion**

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**

Partner

Membership Number: 102102

UDIN: 22102102AILUQW5558

Place: Mumbai

Date: May 05, 2022



# Edelweiss Asset Management Limited

## Balance Sheet

(Currency : Indian rupees in millions)

	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	2	30.87	87.29
(b) Trade receivables	3	149.76	161.54
(c) Investments	5	1,168.69	747.11
(d) Other financial assets	6	7.90	24.41
		<u>1,357.22</u>	<u>1,020.35</u>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	7	52.04	32.50
(b) Deferred tax assets (net)	8	-	-
(c) Property, Plant and Equipment	9	9.65	12.49
(d) Capital work-in-progress	9	2.54	-
(d) Right to use assets	9	45.29	48.18
(e) Other Intangible assets	9	672.95	729.08
(f) Other non- financial assets	10	174.61	129.37
		<u>957.08</u>	<u>951.62</u>
<b>TOTAL ASSETS</b>		<u><b>2,314.30</b></u>	<u><b>1,971.97</b></u>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Payables			
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	106.33	85.09
(b) Lease liabilities	35	52.21	54.63
(c) Other financial liabilities	12	306.11	167.94
		<u>464.65</u>	<u>307.66</u>
<b>Non-financial liabilities</b>			
(a) Provisions	13	7.28	7.73
(b) Other non-financial liabilities	14	23.73	44.57
		<u>31.01</u>	<u>52.30</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	733.43	733.43
(b) Other equity	16	1,085.21	878.58
		<u>1,818.64</u>	<u>1,612.01</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>2,314.30</b></u>	<u><b>1,971.97</b></u>

The accompanying notes are an integral part of these financial statements

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

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

*Shrawan Jalan*

per Shrawan Jalan

Partner

Membership No: 102102



For and on behalf of the Board of Directors

*Ar. Venkatchalam*

Venkatchalam Ramaswamy

Director

DIN - 00008509

*Suresh*

Suresh Gurumani

Director

DIN - 00636844

*Radhika Gupta*

Managing Director and CEO

DIN - 02657595

*Amit Malpani*

Chief Financial Officer

*Vivek Gupta*

Vivek Gupta  
Company Secretary



Mumbai

May 05, 2022

Mumbai

May 05, 2022

# Edelweiss Asset Management Limited

## Statement of Profit and Loss

(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue from operations</b>			
Interest income	17	11.18	29.99
Fee income	18	1,604.88	1,084.91
Net gain on fair value changes	19	43.72	64.65
<b>Total Revenue from operations</b>		<b>1,659.78</b>	<b>1,179.55</b>
<b>Other income</b>	20	<b>14.55</b>	<b>24.52</b>
<b>Total Revenue</b>		<b>1,674.33</b>	<b>1,204.07</b>
<b>Expenses</b>			
Finance costs	21	4.17	6.89
Employee benefits expense	22	765.30	611.77
Depreciation, amortisation and impairment	9	72.83	30.01
Other expenses	23	629.12	507.58
<b>Total expenses</b>		<b>1,471.42</b>	<b>1,156.25</b>
<b>Profit before tax</b>		<b>202.91</b>	<b>47.82</b>
<b>Tax expenses:</b>			
Current tax		-	-
<b>Profit after tax</b>		<b>202.91</b>	<b>47.82</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain / (loss) on defined benefit plans (OCI)		(2.42)	2.15
<b>Other Comprehensive Income</b>		<b>(2.42)</b>	<b>2.15</b>
<b>Total Comprehensive Income</b>		<b>200.49</b>	<b>49.97</b>
<b>Earnings per equity share (Face value of INR 10 each):</b>			
(1) Basic	24	2.77	0.65
(2) Diluted		2.77	0.65

The accompanying notes are an integral part of these financial statements

1 - 47

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

For S.R. Batliboi & Co LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

*Shrawan Jalan*

per Shrawan Jalan

Partner

Membership No: 102102



For and on behalf of the Board of Directors

*Al Venkatchalam*

Venkatchalam Ramaswamy

Director

DIN - 00008509

*Radhika Gupta*

Managing Director and CEO

DIN - 02657595

*Vivek Gupta*

Vivek Gupta

Company Secretary

Mumbai

May 05, 2022

*Suresh Gurumani*

Suresh Gurumani

Director

DIN - 00636844

*Amit Malpani*

Amit Malpani

Chief Financial Officer



Mumbai

May 05, 2022



# Edelweiss Asset Management Limited

## Statement of changes in Equity

(Currency : Indian rupees in millions)

### Equity share capital

Balance at the beginning of the reporting period (April 01 2021)	Changes in equity share capital	Balance at the end of the reporting period (March 31, 2022)
733.43	-	733.43
Balance at the beginning of the reporting period (April 01 2020)	Changes in equity share capital	Balance at the end of the reporting period (March 31, 2021)
733.43	-	733.43

### Other Equity

	Reserves and Surplus				
	Capital Reserve	Securities Premium Account	ESOP reserve	Retained earnings	Total
Balance at March 31, 2020 (Ind AS)	117.47	1,010.32	10.34	(309.52)	828.61
Ind AS adjustments	-	-	-	-	-
Balance at March 31, 2020 (Ind AS)	117.47	1,010.32	10.34	(309.52)	828.61
Profit or loss	-	-	-	47.82	47.82
Other comprehensive income	-	-	-	2.15	2.15
Total Comprehensive Income for the year	-	-	-	49.97	49.97
Issue of equity instruments	-	-	-	-	-
Balance at March 31, 2021 (Ind AS)	117.47	1,010.32	10.34	(259.55)	878.58
Profit or loss	-	-	-	202.91	202.91
Ind AS adjustments on account of SAR	-	-	-	6.14	6.14
Other comprehensive income	-	-	-	(2.42)	(2.42)
Total Comprehensive Income for the year	-	-	-	206.63	206.63
Issue of equity instruments	-	-	-	-	-
Share issue expenses	-	-	-	-	-
Balance at March 31, 2022 (Ind AS)	117.47	1,010.32	10.34	(52.92)	1,085.21

The accompanying notes are an integral part of these financial statements (1-47)

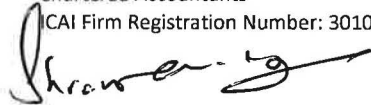
As per our report of even dated attached

For S.R. Batliboi & Co LLP

Chartered Accountants

CAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors



per Shrawan Jalan

Partner

Membership No: 102102





Venkatchalam Ramaswamy

Director

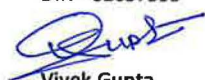
DIN - 00008509



Radhika Gupta

Managing Director and CEO

DIN - 02657595



Vivek Gupta

Company Secretary

Mumbai

May 05, 2022

Mumbai

May 05, 2022



Suresh Gurumani

Director

DIN - 00636844



Amit Malpani

Chief Financial Officer



**Edelweiss Asset Management Limited**

**Cash Flow Statement**

(Currency : Indian rupees in millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A Cash flow from operating activities</b>		
Profit before tax	202.91	47.82
<i>Adjustments for</i>		
Depreciation and amortisation expense	64.41	15.11
Depreciation and amortisation expense on ROU assets	8.42	14.90
Realised fair value (Gain)/Loss on financial instruments	(10.25)	5.94
UnRealised fair value (Gain) on financial instruments	(33.47)	(70.59)
Loss on sale/write-off of fixed assets	0.76	6.81
(Profit) on Termination of Lease- INDAS 116 and Lease waiver	-	(16.30)
Gratuity and compensated expenses	8.40	3.82
Interest income	(11.18)	(29.99)
Interest expense	4.13	6.88
<b>Operating cash flow before working capital changes</b>	<b>234.13</b>	<b>(15.60)</b>
<i>Adjustments for</i>		
(Increase)/Decrease in trade receivables	11.77	(41.20)
(Increase)/Decrease in Other Financial/Non Financial Assets	(28.70)	77.26
Decrease in loans and advances	-	1.03
(Increase)/Decrease in Trade payable	21.23	(33.49)
Decrease in liabilities and provisions	112.16	174.91
<b>Cash generated from / (used in) operations</b>	<b>350.59</b>	<b>162.91</b>
Taxes refund received / (paid) (net of refunds)	(19.54)	154.01
<b>Net cash generated from / (used in) operating activities - A</b>	<b>331.05</b>	<b>316.92</b>
<b>B Cash flow from investing activities</b>		
Purchase of tangible and intangible assets	(9.42)	(15.25)
Proceeds from sale of tangible and intangible assets	0.68	1.62
Purchase of current and non-current investments	(2,959.30)	(896.70)
ROU Asset/Lease Liabilities	(7.95)	(11.21)
Proceeds from Sale/redemption of current and non-current investments	2,581.47	661.57
Interest received	11.18	12.65
<b>Net cash generated from investing activities - B</b>	<b>(383.34)</b>	<b>(247.32)</b>
<b>C Cash flow from financing activities</b>		
Interest paid on lease and others	(4.13)	(6.88)
<b>Net cash (usedin) / generated from financing activities - C</b>	<b>(4.13)</b>	<b>(6.88)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(56.42)</b>	<b>62.72</b>
Cash and cash equivalents as at the beginning of the year	87.29	24.57
Cash and cash equivalents as at the end of the period	30.87	87.29

**Notes:**

- Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.
- Purchase of tangible and intangible assets includes movements of Capital Work-in-Progress and capital expenditure during the year.
- Cash receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows

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

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors

*Shrawan Jalan*

per **Shrawan Jalan**

Partner

Membership No: 102102



*AR Venkatchalam* *Suresh Gurumani*

**Venkatchalam Ramaswamy**

Director

DIN - 00008509

**Suresh Gurumani**

Director

DIN - 00636844

*Radhika Gupta*

**Radhika Gupta**

Managing Director and CEO

DIN - 02657595

*Amit Malpani*

**Amit Malpani**

Chief Financial Officer

*Vivek Gupta*

**Vivek Gupta**

Company Secretary

Mumbai

May 05, 2022

Mumbai

May 05, 2022



# Edelweiss Asset Management Limited

## Notes to the financial statements

### 1. Significant accounting policies

#### 1.1 Background

Edelweiss Asset Management Limited ('the Company') was incorporated on August 23, 2007 as a private limited company. With effect from January 18, 2008, the Company converted itself into public limited company.

The Company is a subsidiary of Edelweiss Financial Services Limited and is incorporated as an asset management company. The Company is registered with the Securities and Exchange Board of India ('SEBI') to act as an investment manager to the Edelweiss Mutual Fund ('the fund') and Alternative Investment funds ('AIF'). It is also registered with SEBI as a portfolio manager.

#### 1.2 Basis of preparation of financial statements

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

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

#### COVID-19

The outbreak of the COVID-19 pandemic had led to a nationwide lockdown in April - May 2020. This was followed by localised lockdown in areas with significant number of COVID -19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. Since then, our country experienced two waves of COVID - 19 pandemic following the discovery of mutant coronavirus variants. These waves led to temporary reimposition of localised / regional lockdown, that were subsequently lifted.

The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 on the Company. Based on the current assessment, the management is of the view that impact of COVID-19 on the operations of the Company and the carrying value of its assets and liabilities is minimal.





# Edelweiss Asset Management Limited

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

### **1.3 Presentation of financial statements**

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 36.

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

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

### **1.4 Use of estimates**

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



# Edelweiss Asset Management Limited

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

### 1.5 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

- i. identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

The Company recognises revenue from the following sources:

- a. **Investment Management Fees (net of tax)**  
Investment Management fees on Mutual fund and Alternative investment funds are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI Regulations based on average assets under management (AUM) of Edelweiss Mutual Fund schemes and Alternative investment funds.
- b. **Advisory Fees (net of tax)**  
Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.
- c. **Portfolio Management Fees (net of tax)**  
Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.
- d. **Interest income**  
Interest income is recognized using the effective interest rate.
- e. **Dividend income**  
Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the Shareholders approve the dividend.
- f. Profit/loss on sale of investments is recognised on trade date basis.



# Edelweiss Asset Management Limited

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

### 1.6 Financial Instruments

#### *Date of recognition*

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

#### *Initial measurement of financial instruments*

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

#### *Classification of financial instruments*

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

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

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

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

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

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

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

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





# Edelweiss Asset Management Limited

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

### **1.6 Financial Instruments (*continued*)**

#### ***Amortized cost and Effective interest rate (EIR)***

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

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

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

#### ***Financial assets held for trading***

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

#### ***Financial assets at fair value through profit or loss***

Financial assets 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. **Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure**

#### ***Investment in equity instruments***

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

#### ***Investment in mutual funds***

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



# Edelweiss Asset Management Limited

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

### **1.6 Financial Instruments (*continued*)**

#### ***Financial liabilities***

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

#### ***Debt securities and other borrowed funds***

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

#### ***Financial liabilities and equity instruments***

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

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

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

#### ***Reclassification of financial assets and liabilities***

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

#### ***Derecognition of financial assets and financial liabilities***

A transfer only qualifies for derecognition if either:

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

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

#### ***Derecognition of financial liabilities***

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





# Edelweiss Asset Management Limited

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

### **1.6 Financial Instruments (*continued*)**

#### ***Impairment of financial assets***

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

#### ***Business model assessment***

Classification and measurement of financial assets depends on the results of the 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 measured, the risks that affect the performance of the assets and how these are managed.

#### ***Fair value of financial instruments***

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





# Edelweiss Asset Management Limited

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

### 1.6 Financial Instruments (*continued*)

#### *Determination of fair value*

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability, the principal or the most advantageous market must be accessible by the Company.

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

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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



# Edelweiss Asset Management Limited

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

### **1.7 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.

### **1.8 Foreign currency transactions**

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

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





# Edelweiss Asset Management Limited

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

### **1.9 Retirement and other employee benefit**

#### ***Provident fund and national pension scheme***

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

#### ***Gratuity***

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

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

Remeasurements are not reclassified to profit or loss in subsequent periods

#### ***Compensated Absences***

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

### **1.10 Share-based payment arrangements**

Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent Group are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share based transaction.

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





# Edelweiss Asset Management Limited

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

### **1.11 Property, plant and equipment and right of use assets**

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

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognised as of April 01, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated Useful Life
Furniture and fittings	10 years
Vehicles	8 years
Office equipments	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy 1.14. Right-of-use assets are depreciated on a straight-line basis over the lease term.

### ***Intangible fixed assets***

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life.



# Edelweiss Asset Management Limited

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

### **1.11 Property, plant and equipment and right of use assets (*continued*)**

#### ***Impairment of non-financial assets***

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

### **1.12 Cash and cash equivalents**

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

### **1.13 Provisions and other contingent liabilities**

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





# Edelweiss Asset Management Limited

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

### 1.14 Operating leases

As described in Note 35, the Company has applied Ind AS 116 using the modified retrospective approach.

Company as a lessee:

The Company has applied IND AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

#### Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short term lease

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





# Edelweiss Asset Management Limited

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

### **1.15 Income tax expenses**

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

#### **Current tax**

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

#### **Deferred tax**

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

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

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

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

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

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

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



# Edelweiss Asset Management Limited

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

### **1.16 New fund offer expenses of mutual fund, PMS and AIF schemes**

Expenses relating to new fund offer of mutual fund and PMS schemes are charged in the statement of profit and loss in the year in which such expenses are incurred. For AIF schemes such expenses are initially borne by the Company and recovered from scheme after the launch of the scheme. Distribution cost is recognised over the lock in period for investment in the schemes.

### **1.17 Fund expenses**

Expenses incurred on behalf of schemes of Edelweiss Bharat Bond ETF – April 2023, Edelweiss Bharat Bond ETF – April 2030, Edelweiss Bharat Bond ETF – April 2025, Edelweiss Bharat Bond ETF – April 2031, Edelweiss Bharat Bond FOF – April 2023, Edelweiss Bharat Bond FOF – April 2030, Edelweiss Bharat Bond FOF – April 2032, Edelweiss Bharat Bond 2025, Edelweiss Bharat Bond 2031, Edelweiss Bharat Bond 2032 (Collectively referred as “Bharat Bond Funds”) are recognised in the statement of profit and loss under Mutual Fund expenses in accordance with the agreement entered with Department of Investment and Public Asset Management, Ministry of Finance, Government of India (DIPAM).

### **1.18 Business Combination**

Business combinations except under common control are accounted for using the acquisition method. 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.

Common controlled business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method.



# Edelweiss Asset Management Limited

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

### **1.19 Significant accounting judgements, estimates and assumptions**

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

#### Judgements

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

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

### **1.20 Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirements of Schedule III, unless otherwise stated.

### **1.21 Standards issued but not yet effective**

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





## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
<b>2 Cash and cash equivalents</b>		
Cash on hand	-	-
Balances with banks		
- in current accounts	<b>30.87</b>	87.29
	<b>30.87</b>	87.29



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 3 Trade receivables

Particulars	March 31, 2022	March 31, 2021
Receivables considered good - Unsecured	149.96	162.39
	149.96	162.39
Less : Allowance for expected credit losses	0.20	0.85
	149.76	161.54

#### 3.1 Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance as on 1 April 2020	0.61
Add/ (less): asset originated or acquired (net)	0.24
Impairment allowance as on 31 March 2021	0.85
Add/ (less): asset originated or acquired (net)	(0.65)
Impairment allowance as on 31 March 2022	0.20



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 3.2 Trade receivables Ageing Schedule

As at March 31, 2022	Outstanding for following periods from due date of payment					Total
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good -Unsecured	149.69	0.27	-	-	-	149.96
<b>Gross receivables (A)</b>	<b>149.69</b>	<b>0.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149.96</b>
i) Undisputed Trade receivables – considered good -Unsecured	0.16	0.04	-	-	-	0.20
<b>ECL - Simplified approach (B)</b>	<b>0.16</b>	<b>0.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.20</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>149.53</b>	<b>0.23</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149.76</b>

As at March 31, 2021	Outstanding for following periods from due date of payment					Total
Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade receivables – considered good -Unsecured	159.87	2.36	0.16	-	-	162.39
<b>Gross receivables (A)</b>	<b>159.87</b>	<b>2.36</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>162.39</b>
i) Undisputed Trade receivables – considered good -Unsecured	0.12	0.57	0.16	-	-	0.85
<b>ECL - Simplified approach (B)</b>	<b>0.12</b>	<b>0.57</b>	<b>0.16</b>	<b>-</b>	<b>-</b>	<b>0.85</b>
<b>Total receivables net of provision = (A)-(B)</b>	<b>159.75</b>	<b>1.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>161.54</b>

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

There are no disputed , unbilled or not due receivables, hence the same is not disclosed in the ageing schedule.





## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 4.1 Derivative financial instruments

The Table below shows the fairvalue of derivative instruments recorded as assets and liabilities together with their

March 31, 2022	Notional amount (Units)	Fair value of asset	Notional amount (Units)	Fair value of liability (INR)
(i) Equity linked derivatives				
Stock Futures	-	-	-	-
Less: amounts offset (refer note below)	-	-	-	-
<b>Total</b>	-	-	-	-

March 31, 2021	Notional amount (Units)	Fair value of asset	Notional amount (Units)	Fair value of liability (INR)
(i) Equity linked derivatives				
Stock Futures	-	-	16,20,000	0.34
Less: amounts offset (refer note below)	-	-	-	(0.34)
<b>Total</b>	-	-	-	-

#### Notes:-

Notional amounts in the above tables of Stock Futures refer to number of underlying equity shares.

#### 4.2 Offsetting of Financial Assets and Liabilities:

The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

As at March 31, 2022:

Financial assets subject to offsetting

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
Derivative financial assets	-	-	-

Financial liabilities subject to offsetting

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
Derivative financial Liabilities	-	-	-

As at March 31, 2021:

Financial assets subject to offsetting

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
Derivative financial assets	-	-	-

Financial liabilities subject to offsetting

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
Derivative financial Liabilities	0.34	(0.34)	-



**Edelweiss Asset Management Limited****Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

**5. Investments****As at March 31, 2022**

Particulars	At fair value through P&L	At amortised cost	Total
(i) Equity	34.05	-	<b>34.05</b>
(ii) Debt securities	-	-	-
(iii) Investments in units of fund (unquoted)	340.07	-	<b>340.07</b>
(iv) Mutual Fund	794.57	-	<b>794.57</b>
<b>TOTAL - Gross (A)</b>	<b>1,168.69</b>	-	<b>1,168.69</b>
(i) Investments outside India	-	-	-
(ii) Investment in India	1,168.69	-	<b>1,168.69</b>
<b>Total (B)</b>	<b>1,168.69</b>	-	<b>1,168.69</b>
<b>Less: Allowance for impairment (C)</b>	-	-	-
<b>Total Net (A-C)</b>	<b>1,168.69</b>	-	<b>1,168.69</b>

**As at March 31, 2021**

Particulars	At fair value through P&L	At amortised cost	Total
(i) Equity	1.18	-	<b>1.18</b>
(ii) Debt securities	186.00	-	<b>186.00</b>
(iii) Investments in units of fund (unquoted)	-	-	-
(iv) Mutual Fund	559.93	-	<b>559.93</b>
<b>TOTAL - Gross (A)</b>	<b>747.11</b>	-	<b>747.11</b>
(i) Investments outside India	-	-	-
(ii) Investment in India	747.11	-	<b>747.11</b>
<b>Total (B)</b>	<b>747.11</b>	-	<b>747.11</b>
<b>Less: Allowance for impairment (C)</b>	-	-	-
<b>Total Net (A-C)</b>	<b>747.11</b>	-	<b>747.11</b>



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
<b>6 Other financial assets</b>		
Security Deposits	7.33	6.10
Margin placed with broker	-	11.49
Advances recoverable in cash or in kind or for value to be received	0.57	6.82
	<b>7.90</b>	<b>24.41</b>
<b>7 Current tax assets (net)</b>		
Advance income taxes	52.04	32.50
	<b>52.04</b>	<b>32.50</b>
<b>8 Deferred tax assets (net)</b>		
<b>a. Deferred tax assets</b>		
<u>Investments and other financial instruments</u>		
Provision for diminution in value of current investments	-	1.35
Fair valuation of investments - unrealised gain	7.33	17.78
<u>Employee benefit obligations</u>		
Disallowances under section 43B of the Income Tax Act, 1961	0.89	-
<u>Unused tax losses</u>		
Accumulated losses	109.09	95.69
Others	0.25	1.05
	<b>117.56</b>	<b>115.87</b>
<b>b. Deferred tax liabilities</b>		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	117.56	115.80
<u>Employee benefit obligations</u>		
Disallowances under section 43B of the Income Tax Act, 1961	-	0.07
	<b>117.56</b>	<b>115.87</b>
<b>Total (a-b)</b>	<b>-</b>	<b>-</b>

Note:

Due to absence of reasonable certainty of future taxable income, the Company has not recognised Deferred Tax on temporary differences as the company has previous years brought forward losses.





# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 9 Fixed assets

Description of Assets	Gross Block				Depreciation				Net Block	
	As at April 01, 2021	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 01, 2021	Charge the year	for Deductions during the year	As at March 31, 2022	As at March 31, 2022	
<b>Property, plant and equipments</b>										
Leasehold improvements	7.59	2.04	-	9.63	3.40	1.99	-	5.39	4.24	
Furniture and Fittings	2.68	0.52	-	3.20	0.98	0.56	-	1.54	1.66	
Motor vehicles	1.45	-	0.88	0.57	0.93	0.10	0.52	0.51	0.06	
Office equipments	5.42	0.41	-	5.83	3.35	1.07	-	4.42	1.41	
Computers	19.90	-	0.65	19.25	15.89	1.51	0.43	16.97	2.28	
<b>Total : A</b>	<b>37.04</b>	<b>2.97</b>	<b>1.53</b>	<b>38.48</b>	<b>24.55</b>	<b>5.23</b>	<b>0.95</b>	<b>28.83</b>	<b>9.65</b>	
<b>Intangible assets</b>										
Computer software	33.64	3.90	1.06	36.48	13.60	9.18	0.21	22.57	13.91	
Asset Management Rights - Mutual funds and Alternative Investment funds (Refer note below)	709.04	-	-	709.04	-	50.00	-	50.00	659.04	
<b>Total : B</b>	<b>742.68</b>	<b>3.90</b>	<b>1.06</b>	<b>745.52</b>	<b>13.60</b>	<b>59.18</b>	<b>0.21</b>	<b>72.57</b>	<b>672.95</b>	
Right to use lease assets	98.83	8.97	3.44	104.36	50.65	8.42	-	59.07	45.29	
<b>Total : C</b>	<b>98.83</b>	<b>8.97</b>	<b>3.44</b>	<b>104.36</b>	<b>50.65</b>	<b>8.42</b>	<b>-</b>	<b>59.07</b>	<b>45.29</b>	
<b>Grand Total [A+B+C]</b>	<b>878.55</b>	<b>15.84</b>	<b>6.03</b>	<b>888.36</b>	<b>88.80</b>	<b>72.83</b>	<b>1.16</b>	<b>160.47</b>	<b>727.89</b>	

#### Note:-

- Management has carried out impairment analysis of Asset Management Rights of Mutual funds and Alternative Investment Funds through independent Chartered Accountant Firm. Based on the report of such firm and in the view of management there is impairment of INR 50.00 has been considered on the above rights as of 31st March 2022.



# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 9 Fixed assets

Description of Assets	Gross Block				Depreciation				Net Block
	As at April 01, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 01, 2020	Charge the year	for Deductions during the year	As at March 31, 2021	As at March 31, 2021
<b>Property, plant and equipments</b>									
Leasehold improvements	21.53	-	13.94	7.59	7.67	3.67	7.94	3.40	4.19
Furniture and Fittings	4.39	0.66	2.37	2.68	1.52	0.77	1.31	0.98	1.70
Motor vehicles	1.45	-	-	1.45	0.62	0.31	-	0.93	0.52
Office equipments	10.18	0.90	5.66	5.42	5.99	1.88	4.52	3.35	2.07
Computers	19.18	2.39	1.67	19.90	14.56	2.77	1.44	15.89	4.01
<b>Total : A</b>	<b>56.73</b>	<b>3.95</b>	<b>23.64</b>	<b>37.04</b>	<b>30.36</b>	<b>9.40</b>	<b>15.21</b>	<b>24.55</b>	<b>12.49</b>
<b>Intangible assets</b>									
Computer software	22.34	11.30	-	33.64	7.89	5.71	-	13.60	20.04
Asset Management Rights - Mutual funds and Alternative Investment funds (Refer note below)	709.04	-	-	709.04	-	-	-	-	709.04
<b>Total : B</b>	<b>731.38</b>	<b>11.30</b>	<b>-</b>	<b>742.68</b>	<b>7.89</b>	<b>5.71</b>	<b>-</b>	<b>13.60</b>	<b>729.08</b>
Right to use lease assets	141.03	31.87	74.07	98.83	35.98	14.90	0.23	50.65	48.18
<b>Total : C</b>	<b>141.03</b>	<b>31.87</b>	<b>74.07</b>	<b>98.83</b>	<b>35.98</b>	<b>14.90</b>	<b>0.23</b>	<b>50.65</b>	<b>48.18</b>
<b>Grand Total [A+B+C]</b>	<b>929.14</b>	<b>47.12</b>	<b>97.71</b>	<b>878.55</b>	<b>74.23</b>	<b>30.01</b>	<b>15.44</b>	<b>88.80</b>	<b>789.75</b>

#### Note:-

- Management has carried out impairment analysis of Asset Management Rights of Mutual funds and Alternative Investment Funds through independent Chartered Accountant Firm. Based on the report of such firm and in the view of management there is no impairment on the above rights as on 31st March 2021 considered.



# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in millions)

### 9.1 (A) Capital work-in-progress

Description of Assets	Gross Block			
	As at April 01, 2021	Additions	Capitalization	As at March 31, 2022
Capital WIP - Software	-	9.05	6.51	2.54
<b>Total</b>	-	<b>9.05</b>	<b>6.51</b>	<b>2.54</b>

Description of Assets	Gross Block			
	As at April 01, 2020	Additions	Capitalization	As at March 31, 2021
Capital WIP - Software	-	8.00	8.00	-
<b>Total</b>	-	<b>8.00</b>	<b>8.00</b>	-

### 9.1 (B) Capital work-in-progress under development aging schedule

As at March 31, 2022

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	2.54	-	-	-	2.54
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2.54</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.54</b>

As at March 31, 2021

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 9.2. (A) Asset Management Rights - MF and AIF schemes

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of the year	709.04	709.04
Add:- Asset management rights arising on acquisitions	-	-
Less:- Asset Management Rights derecognised / impaired	(50.00)	-
<b>Balance at the end of year</b>	<b>659.04</b>	<b>709.04</b>

#### 9.2. (B) Intangible impairment assessment

Asset Management Rights acquired through business combinations has been allocated to following cash-generating unit (CGU), for impairment testing, as follows:

##### A. Impairment testing of Asset Management Rights:

Particulars	March 31, 2022	March 31, 2021
Asset Management Rights - MF and AIF schemes	659.04	709.04
Carrying value of CGU	659.04	709.04
Recoverable amount of CGU	2,032.40	1,505.60

##### Key assumptions in computing value in use:

Particulars	March 31, 2022	March 31, 2021
Discount rate	11%	11%
Total expected cash-flows for 5 years	606.40	524.40
Terminal Value at the end of 5th Year	2,305.50	1,722.80

On account of low risk around achievability of projected financial results relative to historical growth that has been achieved and significant impact of covid-19 already being captured in the projections. the cost of equity is estimated to be 11% as at March 31, 2022.

The calculation of value in use is most sensitive to expected cash-flows and discount rate.

Key assumptions	Basis of key assumptions and associated risk	Reasonably assumed possible change
Discount Rates	Discount rates reflect the current market	Increase/ decrease by 100 basis points assessment of the risk associated.
Expected cash-flows	Based on the projected cash-flows approved by Board of directors	Increase/ decrease by 500 basis points and expected increase in profit in the coming years.



# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

As at  
March 31, 2022      As at  
March 31, 2021

### 10 Other non-financial assets

(Unsecured Considered good, unless stated otherwise)

Prepaid expenses	165.57	121.30
Vendor Advances	6.79	6.67
Contribution to Gratuity Fund (net of provision)	2.25	1.40
<b>Total</b>	<b>174.61</b>	<b>129.37</b>

### 11 Trade Payables

As at March 31, 2022	Outstanding for following periods from due date of payment				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Payable - MSME	-	-	-	-	-
(ii) Undisputed Trade Payable - Others	106.33	-	-	-	106.33
<b>Total</b>	<b>106.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>106.33</b>

As at March 31, 2021	Outstanding for following periods from due date of payment				Total
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Payable - MSME	-	-	-	-	-
(ii) Undisputed Trade Payable - Others	85.09	-	-	-	85.09
<b>Total</b>	<b>85.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85.09</b>

Note:-

There are INR Nil (Previous year: INR Nil) dues 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.



# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

As at March 31, 2022	As at March 31, 2021
-------------------------	-------------------------

### 12 Other financial liabilities

#### Others

Accrued salaries and benefits	305.38	167.46
Retention money payable	0.43	0.43
Others	0.30	0.05

306.11	167.94
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# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2022	As at March 31, 2021
<b>13 Provisions</b>		
Provision for employee benefits		
Compensated leave absences	7.28	3.73
Others		
Capex	-	4.00
	<b>7.28</b>	<b>7.73</b>
<b>14 Other non-financial liabilities</b>		
Others		
Others	2.12	12.02
Statutory dues	21.61	32.55
	<b>23.73</b>	<b>44.57</b>



# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at March 31, 2022		As at March 31, 2021	
<b>15 Equity share capital</b>				
Authorised :				
113,250,000 (Previous year: 113,250,000) equity shares of Rs. 10 each		1,132.50		1,132.50
		<u>1,132.50</u>		<u>1,132.50</u>
Issued, Subscribed and Paid up:	No. of shares	Amount	No. of shares	Amount
7,33,43,293 (Previous year: 7,33,43,293) equity shares of Rs. 10 each, fully paid-up	7,33,43,293	733.43	7,33,43,293	733.43
		<u>733.43</u>		<u>733.43</u>
<b>a. Movement in share capital :</b>				
	March 31, 2022		March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	7,33,43,293	733.43	7,33,43,293	733.43
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>7,33,43,293</u>	<u>733.43</u>	<u>7,33,43,293</u>	<u>733.43</u>
<b>b. Terms/rights attached to equity shares :</b>				
The Company has only one class of equity shares having a par value of Re 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.				
Shares held by holding/ultimate holding company and/or their subsidiaries/associates				
	March 31, 2022		March 31, 2021	
Holding company				
Edelweiss Financial Services Limited, the holding company and its nominees	6,63,75,680	90.50%	7,33,43,293	100.00%
Edel Finance Company Limited	69,67,613	9.50%	-	-
	<u>7,33,43,293</u>	<u>100.00%</u>	<u>7,33,43,293</u>	<u>100.00%</u>
<b>c. Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>				
	March 31, 2022		March 31, 2021	
Edelweiss Financial Services Limited, the holding company and its nominees	6,63,75,680	90.50%	7,33,43,293	100.00%
Edel Finance Company Limited	69,67,613	9.50%	-	-
	<u>7,33,43,293</u>	<u>100.00%</u>	<u>7,33,43,293</u>	<u>100.00%</u>
<b>d. Details of shares held by promoters in the Company</b>				
Promoter name	No. of Shares	March 31, 2022 % of total shares	% Change during the year	
Ultimate Holding / Holding company				
Edelweiss Financial Services Limited, the holding company and its nominees	6,63,75,680	90.50%	(9.50)	
Edel Finance Company Limited	69,67,613	9.50%	9.50	
<b>16 Reserves and surplus</b>				
Capital Reserve - Opening balance		117.47		117.47
Add : Additions during the year		-		-
		<u>117.47</u>		<u>117.47</u>
Securities Premium Account		1,010.32		1,010.32
Add : Additions during on issue of Equity Shares		-		-
		<u>1,010.32</u>		<u>1,010.32</u>
Deemed capital contribution - ESOP		10.34		10.34
Add : Additions during the year		-		-
		<u>10.34</u>		<u>10.34</u>
Retained earnings - Opening balance (P&L)		(259.55)		(309.52)
Add: Profit for the year		202.91		47.82
Adjustment on account of Reversal of SAR		6.14		-
Add: Other comprehensive income for the year		(2.42)		2.15
Retained earnings - Closing balance (P&L)		<u>(52.92)</u>		<u>(259.55)</u>
		<u>1,085.21</u>		<u>878.58</u>



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

17	Interest Income	For the period ended March 31, 2022				For the period ended March 31, 2021			
		On Financial Assets measured at fair value through OCI	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 fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
	Interest income from investments	-	-	11.18	11.18	-	-	29.99	29.99
	<b>Total</b>	-	-	<b>11.18</b>	<b>11.18</b>	-	-	29.99	29.99





# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

for the year ended  
March 31, 2022

for the year ended  
March 31, 2021

### 18 Fee income

Management and other Fee

- Mutual Fund Management fees

890.96

457.29

- AIF, PMS and other advisory Fees

713.92

627.62

**1,604.88**

**1,084.91**

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

**Particulars**

**2021-22**

**2020-21**

Service transferred at a point in time

-

-

Service transferred over time

1,604.88

1,084.91

**Total revenue from contract with customers**

**1,604.88**

**1,084.91**

### 19 Net gain on fair value changes

**Net gain/ (loss) on financial instruments at fair value through profit or loss**

**- Investments**

Profit on sale of Current Investment

19.70

4.19

Fair value gain - P&L - mutual funds, AIF Funds and Equity

33.47

71.42

Fair value (loss) - P&L - debt

(4.37)

(0.83)

**- Derivatives**

(Loss) on equity derivative instruments (net)

(5.08)

(10.13)

**Total Net gain/(loss) on fair value changes**

**43.72**

**64.65**

**Fair value changes:**

- Realised

10.25

(5.94)

- Unrealised

33.47

70.59

**Total Net gain/loss on fair value changes**

**43.72**

**64.65**

### 20 Other income

(Loss) / profit on sale of fixed assets (net)

(0.76)

(6.81)

Others

Miscellaneous income

15.31

31.33

**14.55**

**24.52**



## Edelweiss Asset Management Limited

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

(Currency : Indian rupees in millions)

21	Finance costs	For the year ended March 31, 2022			For the year ended March 31, 2021		
		On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total	On Financial liabilities measured at fair value through profit or loss	On Financial liabilities measured at Amortised Cost	Total
	Interest on borrowings	-	-	-	-	-	-
	Other interest expense	-	4.17	4.17	-	6.89	6.89
	<b>Total</b>	-	<b>4.17</b>	<b>4.17</b>	-	<b>6.89</b>	<b>6.89</b>



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	for the year ended March 31, 2022	for the year ended March 31, 2021
<b>22 Employee benefit expenses</b>		
Salaries and wages		
Salaries and wages	355.45	325.32
Salaries and wages - Bonus	271.00	247.38
Salaries and wages - Long term incentive plan	86.15	-
Contribution to provident and other funds (refer note 28)	25.09	21.78
Expense on Employee Stock Appreciation Rights (SAR) and Employee Stock Option Scheme (ESOP)	7.51	10.51
Staff welfare expenses	20.10	6.78
	<b>765.30</b>	<b>611.77</b>





# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	for the year ended March 31, 2022	for the year ended March 31, 2021
<b>23 Other expenses</b>		
Advertisement and business promotion	15.62	11.83
Auditors' remuneration (refer note below)	2.02	2.01
Bad- debts and advances written off	0.24	0.50
Commission and brokerage	205.32	156.48
Communication	7.75	9.01
Directors' sitting fees	0.76	0.50
Insurance	2.72	1.80
Legal and professional fees	117.09	71.91
Printing and stationery	3.06	1.97
Allowances / (Recoveries) on receivables	(0.65)	0.24
Rates and taxes	0.09	0.17
Rent (refer note 35)	26.91	33.85
Repairs and maintenance	3.29	1.59
Electricity charges	1.91	1.84
Mutual Fund - New Fund Offer Expenses	23.73	56.64
Computer expenses	66.35	23.59
Clearing & custodian charges	4.35	6.41
Membership and subscription	32.62	10.20
Mutual Fund Expenses	94.01	73.57
Office expenses	2.41	30.53
Postage and courier	3.01	0.72
Goods & Service tax expenses	0.45	0.36
Travelling and conveyance	14.39	9.16
Miscellaneous expenses	1.67	2.70
	<b>629.12</b>	<b>507.58</b>
<b>Auditors' remuneration:</b>		
As Auditors	2.00	2.00
Towards reimbursement of expenses	0.02	0.01
	<b>2.02</b>	<b>2.01</b>



# Edelweiss Asset Management Limited

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

(Currency: Indian Rupees in millions)

### 24 Earnings per share

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Profit from continued operation attributable to equity holders	202.91	47.82
Net Profit from continued operation attributable to ordinary equity holders adjusted for the effect of dilution	202.91	47.82
Weighted average number of ordinary shares for basic earnings per share	7,33,43,293	7,33,43,293
Earnings per share		
Basic earnings per share	2.77	0.65
Diluted earnings per share	2.77	0.65



## Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

## 25 Disclosure as required by 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 Edel Finance Company Limited
Fellow Subsidiaries (with whom transactions have taken place)	ECap Equities Limited Edelweiss Multi Strategy Fund Advisors LLP Edelweiss Rural and Corporate Services Limited Edelweiss Housing Finance Limited Edelweiss Retail Finance Limited Edelweiss Investment Adviser Limited Edel Land Limited ECL Finance Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Finvest Private Limited Edelweiss Gallagher Insurance Brokers Limited (Formerly known as Edelweiss General Insurance Company Limited) EFSL Trading Limited (formerly EFSL Commodities Limited ) Edelweiss Investments Limited Edelweiss Trusteeship Company Limited Edelweiss Investment Advisors Limited Edelweiss Alternative Asset Advisors Pte. Limited Edelweiss Capital Services Limited Edelweiss Securities And Investments Private Limited
Fellow Associates (with whom transactions have taken place)	Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Custodial Services Limited ESL Securities Limited Edelweiss Global Wealth Management Limited Edelweiss Finance and Investments Limited
Non-Executive Directors	Hemant Daga (till January 05, 2022) Venkatchalam Ramaswamy (w. e. f. January 16, 2022)
Independent Directors	Suresh Gurumani Manjit Singh Karan Datta
Key Management Personnel	Radhika Gupta (Managing Director and Chief Executive Officer) Amit Malpani (Chief Financial Officer)





## Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

## 25 Disclosure as required by Indian Accounting Standard 24 - Related Party Disclosure

## ii. Transactions with related parties :

Sr. No.	Nature of Transaction	Related Party Name	2021-22	2020-21
	Referral and other fees, Commission Brokerage and Marketing promotion Expenses			
1	paid to	Edelweiss Broking Limited	23.89	30.41
		Edelweiss Securities Limited	1.66	5.82
		Edelweiss Global Wealth Management Limited	0.35	9.69
		Edelweiss Financial Services Limited	-	0.23
2	Cost reimbursements paid to	Edelweiss Financial Services Limited	0.39	9.61
		Edelweiss Rural and Corporate Services Limited	29.96	43.39
		Edelweiss Global Wealth Management Limited	-	0.39
		Edelweiss Retail Finance Limited	0.18	0.09
		Edelweiss Custodial Services Limited	1.14	5.20
		Edelweiss Securities Limited	0.19	0.40
		ECap Equities Limited	-	0.65
		Edelweiss Broking Limited	0.25	0.62
		Edelweiss Capital Services Limited	0.66	-
		Edelweiss Securities And Investments Private Limited - Magnolia	23.24	-
		ECL Finance Limited	1.49	0.15
3	Cost reimbursements received from	Edelweiss Alternative Asset Advisors Limited	-	1.15
		Edelweiss Asset Reconstruction Company Limited	-	1.54
		Edelweiss Gallagher Insurance Brokers Limited	-	0.20
		Edelweiss Finance and Investments Limited	-	0.16
4	Purchase of Property Plant and Equipment & Intangible Assets from	Edelweiss Global Wealth Management Limited	2.73	-
		Edelweiss Gallagher Insurance Brokers Limited	0.01	-
		Edelweiss Investment Advisors Limited	0.03	-
5	Sale of Property Plant and Equipment & Intangible Assets to	ESL Securities Limited	0.03	-
		Edelweiss Broking Limited	0.01	-
6	Advisory fees received from	ECap Equities Limited	-	9.04
		Edelweiss Alternative Asset Advisors Pte. Limited	1.26	0.65
7	Directors sitting fees	Suresh Gurumani	0.30	0.20
		Manjit Singh	0.30	0.20
		Karan Datta	0.16	0.10
9	Remuneration paid to (Refer Note 2 below)	Key Management Personnel	40.70	17.62



## Notes to the financial statements (continued)

(Currency : Indian rupees in millions)

## 25 Disclosure as required by Indian Accounting Standard 24 - Related Party Disclosure

## iii. Balances with related parties

Sr. No.	Nature of Transaction	Related Party Name	2021-22	2020-21
8	Trade payables to	Edelweiss Investment Advisors Limited	0.10	0.04
		Edelweiss Broking Limited	2.02	2.18
		Edelweiss Rural and Corporate Services Limited	2.75	4.04
		ECap Equities Limited	-	0.05
		Edelweiss Securities Limited	0.01	0.40
		Edelweiss Financial Services Limited	0.01	0.44
		ECL Finance Limited	0.05	0.11
		Edelweiss Alternative Asset Advisors Limited	0.01	0.20
		Edelweiss Global Wealth Management Limited	-	0.10
		Edelweiss Retail Finance Limited	0.01	-
		Edelweiss Custodial Services Limited	0.06	1.42
		Edelweiss Finance and Investments Limited	-	0.03
		ESL Securities Limited	1.00	1.44
		Edelweiss Capital Services Limited	0.05	-
		Edelweiss Trusteeship Company Limited	-	0.13
		Edelweiss Gallagher Insurance Brokers Limited	0.18	-
		Edelweiss Securities And Investments Private Limited - Magnolia	5.16	-
		Edelweiss Multi Strategy Fund Advisors LLP	-	0.03
9	Advances recoverable in cash or in kind or for value to be received	Edelweiss Rural and Corporate Services Limited	-	0.13
		ECL Finance Limited	-	0.01
		Edelweiss Custodial Services Limited	-	0.05
		Edelweiss Securities Limited	-	0.05
		Edelweiss Global Wealth Management Limited	-	0.30
		Edelweiss Asset Reconstruction Company Limited	0.10	-
		Edelweiss Gallagher Insurance Brokers Limited	-	0.20
10	Trade receivables	Edelweiss Multi Strategy Fund Advisors LLP	-	0.01
		Edelweiss Broking Limited	-	0.01
		ESL Securities Limited	-	0.07
		Edelweiss Alternative Asset Advisors Pte. Limited	0.87	0.44
11	Margin Placed with	Edelweiss Broking Limited	-	11.49
12	Other payables - ESOP	Edelweiss Financial Services Limited	1.80	10.51
<p>Note: 1. As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 - Related Party Disclosures, maximum amount of loans given and repaid are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.</p> <p>2. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.</p>				



# Edelweiss Asset Management Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### 26 Segment reporting

The primary business of the Company is to act as an investment manager to Edelweiss Mutual Fund. Accordingly, there is no separate reportable segment and hence, no disclosure is made under **Indian Accounting Standard 108 – Operating Segment Reporting**. Further, segmentation based on geography has not been presented as the Company operates only in India.

### 27 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits

#### A) Defined contribution plan (Provident fund, National Pension Scheme and Employees State Insurance Corporation):

Amount of Rs. **20.24** (Previous year: Rs. 17.68) is recognised as expense and included in "Employee benefit expense" – note 22 in the statement of profit and loss.

#### B) Defined benefit plan (Gratuity):

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

#### Statement of profit and loss

##### Expenses recognized in the statement of profit and loss account:

	2022	2021
Current service cost	4.97	4.17
Interest cost	(0.11)	(0.07)
Expected return on plan asset	-	-
Past service cost	-	-
Actuarial (gain) or loss recognized in the year	2.42	(2.15)
<b>Employer expense</b>	<b>7.28</b>	<b>1.95</b>

#### Balance sheet

##### Reconciliation of Defined Benefit Obligation (DBO):

	2022	2021
Present value of DBO at the beginning of the year	33.06	29.73
Acquisition/ (Divesture)	-	-
Transfer in / (out)	(1.05)	(2.69)
Interest cost	1.60	1.49
Current service cost	4.97	4.17
Benefits paid	(7.07)	(2.04)
Past service cost	-	-
Actuarial (gain)/loss on obligation	3.39	2.41
<b>Present value of DBO at the end of the year</b>	<b>34.90</b>	<b>33.07</b>

##### Reconciliation of fair value of plan assets:

	2022	2021
Fair value of plan assets at the beginning of the year	34.46	28.35
Expected return on plan asset	0.96	4.56
Contributions	7.07	2.04
Benefits paid	(7.07)	(2.04)
Actuarial gain/(loss) on plan assets	1.72	1.55
<b>Fair value of plan assets at the end of the year</b>	<b>37.14</b>	<b>34.46</b>





# Edelweiss Asset Management Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### 27 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits (continued)

Net (liability) / asset recognised in the balance sheet:

Particulars	2022	2021
Present value of defined benefit obligation	34.89	33.06
Fair value of plan assets at the end of the year	37.14	34.46
<b>Amount recognized in balance sheet - asset/(liability)</b>	<b>2.25</b>	<b>1.40</b>

Experience adjustments:

Particulars	2022	2021
On plan liabilities: (gain)/ loss	3.26	1.18
On plan assets: gain/ (loss)	-	-
<b>Estimated contribution for next year</b>	<b>Nil</b>	<b>Nil</b>

Principal actuarial assumptions at the balance sheet date:

	2022	2021
Discount rate	5.90%	5.00%
Salary escalation	7%	7%
Employee attrition rate	16%	25%
Expected return on plan assets	5.00%	5.50%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

Sensitivity analysis:

DBO increases / (decreases) by	March-22	March-21
Increase of 1% in Salary Growth Rate	1.99	1.14
Decrease of 1% in Salary Growth Rate	(1.82)	(1.08)
Increase of 1% in Discount Rate	(1.83)	(1.09)
Decrease of 1% in Discount Rate	2.03	1.18
Increase of 1% in Withdrawal Rate	(0.11)	(0.09)
Decrease of 1% in Withdrawal Rate	0.12	0.09
Mortality (Increase in expected lifetime by 1 year)	0.00	0.00
Mortality (Increase in expected lifetime by 3 years)	0.00	0.00

Percentage Break-down of Total Plan Assets:

	2022	2021
Insurer Managed Funds (Unit-linked)	99.90%	99.90%
Cash and Bank	0.10%	0.10%

### 28 Employee Stock Option Plans (ESOPs) / Stock Appreciation Rights (SARs)

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



# Edelweiss Asset Management Limited

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

(Currency: Indian Rupees in millions)

### 29 Foreign currency transactions

The Company have foreign currency exposure as on the date of balance sheet as below:

Particulars	2022	2021
Trade Receivable	0.87	0.44

The Company has undertaken the following transactions in foreign currency:

Income generated in foreign currency (on accrual basis)	2022	2021
Advisory fee	1.41	0.65
Expenditure incurred in foreign currency (on accrual basis)		
Membership & Subscription Charges	2.15	0.90
Market Data Services	-	1.19

### 30 Contingent liabilities, commitments, and litigations

#### i. Contingent liabilities

There are no contingent liabilities as on the date of balance sheet.

#### ii. Commitments

The Company has capital commitments of Rs. 0.10 (Previous year: Rs. 0.07) as at the balance sheet date.

#### iii. Litigations

The Company does not have any pending litigations as on the date of balance sheet.

The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favorable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote

### 31 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads in note 23 include reimbursements paid and are net of reimbursements received based on the management's best estimate.



# Edelweiss Asset Management Limited

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

(Currency: Indian Rupees in millions)

### 32 **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 March 31, 2022	As at March 31, 2021
Total Debt	-	-
Equity	1,818.64	1,612.01
Net Debt to Equity	-	-

### 33 **Provident Fund**

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





# Edelweiss Asset Management Limited

## Notes to the financial statements (continued)

(Currency: Indian Rupees in millions)

### 34 Credit risk

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

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

The Company's financial assets subject to the expected credit loss model within Ind AS 109 are only short-term trade and other receivables. All trade receivables are expected to be received in three months or less. 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.

Company is exposed to credit risk on mutual fund investments, however this investment are not subjected to Ind AS 109 impairment requirements as they are measured at FVTPL. The carrying value of these investments, under Ind AS 109 represents the Company's maximum exposure to credit risk on financial instruments not subject to the Ind AS 109 impairment requirements on the respective reporting dates.

Reconciliation of impairment allowance on trade receivables:

Impairment allowance measured as per simplified approach	INR
Impairment allowance as on 31 March 2021	0.85
Addition/ (Reduction) during the year	(0.65)
Impairment allowance as on 31 March 2022	0.20

#### Trade Receivables Aging and Expected Credit loss (ECL):

Year ended	Days past due	1-90days	91-180 days	181-270 days	270- 360 days	more than 360 days	Total
March 31, 2022	ECL rate	0.09%	6.70%	14.40%	41.21%	100.00%	0.13%
	Gross	149.36	0.33	0.24	0.03	-	149.96
	ECL	(0.14)	(0.02)	(0.03)	(0.01)	-	(0.20)
	Net	149.22	0.31	0.21	0.02	-	149.76
March 31, 2021	ECL rate	0.05%	4.35%	9.92%	39.13%	100.00%	0.52%
	Gross	158.95	0.92	1.21	1.15	0.16	162.39
	ECL	(0.08)	(0.04)	(0.12)	(0.45)	(0.16)	(0.85)
	Net	158.87	0.88	1.09	0.70	-	161.54



# Edelweiss Asset Management Limited

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

(Currency: Indian Rupees in millions)

### 34 Credit risk (*continued*)

#### 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. The Company is exposed to cash redemptions of units on a regular basis. Units are redeemable at the holder's option based on the Fund's NAV per share at the time of redemption, calculated in accordance with the Fund's constitution.

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

- Searching for new investors
- Withdrawal of cash deposits
- Disposal of highly liquid assets (i.e., short-term, low-risk debt investments)
- Either disposal of other assets or increase of leverage

Refer Note 36 on maturity analysis of assets and liabilities.

#### 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.



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 35 Operating lease

##### Right-of-use assets

Particulars	Amount	
	April 01, 2021	April 01, 2020
As at		
Opening Balance	48.18	105.05
Addition	8.97	31.87
Deletion	(3.44)	(73.84)
Depreciation expense	(8.42)	(14.90)
Closing Balance	45.29	48.18

##### Lease liability

Particulars	Amount	
	April 01, 2021	April 01, 2020
As at		
Opening Balance	54.63	124.11
Addition (net)	5.52	(57.91)
Accretion of interest	4.13	6.88
Payments	(12.07)	(18.45)
Closing Balance	52.21	54.63

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense	8.42	14.90
Interest expense on lease liabilities	4.13	6.88
Expense relating to short-term lease (included in other expenses)	26.91	33.85
Total amount recognised in statement of profit and loss	39.46	55.63

The Company has entered into commercial leases for buildings. Some of the leases contain extensions and termination options such options have been considered while lease term only.





# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 36. Maturity analysis of assets and liabilities

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

Particulars	March 31, 2022			March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	30.87	-	30.87	87.29	-	87.29
Trade receivables	148.89	-	148.89	161.00	-	161.00
Trade receivables - related party	0.87	-	0.87	0.54	-	0.54
Investments	495.50	673.19	1,168.69	457.95	289.16	747.11
Other financial assets	0.57	7.33	7.90	18.31	6.10	24.41
<b>Total (A)</b>	<b>676.70</b>	<b>680.52</b>	<b>1,357.22</b>	<b>725.09</b>	<b>295.26</b>	<b>1,020.35</b>
<b>Non-financial assets</b>						
Current tax assets (net)	-	52.04	52.04	-	32.50	32.50
Property, plant and equipment	-	9.65	9.65	-	12.49	12.49
Capital work-in-progress	-	2.54	2.54	-	-	-
Right to use assets	-	45.29	45.29	-	48.18	48.18
Other intangible assets	-	672.95	672.95	-	729.08	729.08
Other non-financial assets	6.79	167.82	174.61	6.67	122.70	129.37
<b>Total (B)</b>	<b>6.79</b>	<b>950.29</b>	<b>957.08</b>	<b>6.67</b>	<b>944.95</b>	<b>951.62</b>
<b>Total assets</b>	<b>683.49</b>	<b>1,630.81</b>	<b>2,314.30</b>	<b>731.76</b>	<b>1,240.21</b>	<b>1,971.97</b>

Particulars	March 31, 2022			March 31, 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Trade payables	98.32	-	98.32	74.50	-	74.50
Trade payables - related party	8.01	-	8.01	10.59	-	10.59
Lease liabilities	-	52.21	52.21	-	54.63	54.63
Other financial liabilities	219.96	86.15	306.11	167.94	-	167.94
<b>Total (A)</b>	<b>326.29</b>	<b>138.36</b>	<b>464.65</b>	<b>253.03</b>	<b>54.63</b>	<b>307.66</b>
<b>Non-financial liabilities</b>						
Provisions	7.28	-	7.28	7.73	-	7.73
Other non-financial liabilities	23.50	0.23	23.73	43.82	0.75	44.57
<b>Total (B)</b>	<b>30.78</b>	<b>0.23</b>	<b>31.01</b>	<b>51.55</b>	<b>0.75</b>	<b>52.30</b>
<b>Total liabilities</b>	<b>357.07</b>	<b>138.59</b>	<b>495.66</b>	<b>304.58</b>	<b>55.38</b>	<b>359.96</b>
<b>Net Assets / (Liabilities)</b>	<b>326.42</b>	<b>1,492.22</b>	<b>1,818.64</b>	<b>427.18</b>	<b>1,184.83</b>	<b>1,612.01</b>



**Edelweiss Asset Management Limited****Notes to the financial statements (Continued)**

(Currency : Indian rupees in millions)

**37. Change in liabilities arising from financing activities:-**

Particulars	April 01, 2021	Cash flows	Changes in fair values	Exchange differences	Others	March 31, 2022
Borrowings other than debt securities	-	-	-	-	-	-
Other financial liabilities	167.94	138.17	-	-	-	306.11
<b>Total liabilities from financing activities</b>	<b>167.94</b>	<b>138.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306.11</b>

Particulars	April 01, 2020	Cash flows	Changes in fair values	Exchange differences	Others	March 31, 2021
Borrowings other than debt securities	-	-	-	-	-	-
Other financial liabilities	1.08	166.86	-	-	-	167.94
<b>Total liabilities from financing activities</b>	<b>1.08</b>	<b>166.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167.94</b>



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 38 Fair Values of Financial Instruments

##### Key Inputs for Fair Valuation technique:

- 1 Mutual Funds : Based on Net Asset Value of the Scheme
- 2 Unquoted Equity investment : Fair Valuation

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

	March 31, 2022			
Particulars	Level 1	Level 2	Level 3	Total
<b>Investments</b>				
Debt securities	-	-	-	-
Mutual fund units	794.57	-	-	794.57
Investments in units of fund	-	340.07	-	340.07
Equity instruments	-	34.05	-	34.05
<b>Total investments measured at fair value</b>	<b>794.57</b>	<b>374.12</b>	<b>-</b>	<b>1,168.69</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>794.57</b>	<b>374.12</b>	<b>-</b>	<b>1,168.69</b>

	March 31, 2021			
Particulars	Level 1	Level 2	Level 3	Total
<b>Investments</b>				
Debt securities	-	-	186.00	186.00
Mutual fund units	559.93	-	-	559.93
Equity instruments	-	1.18	-	1.18
<b>Total investments measured at fair value</b>	<b>559.93</b>	<b>1.18</b>	<b>186.00</b>	<b>747.11</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>559.93</b>	<b>1.18</b>	<b>186.00</b>	<b>747.11</b>

Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2022 and March 31, 2021 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.





# Edelweiss Asset Management Limited

## Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

### 38.1 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 March 31, 2022	Fair value of liability as on March 31, 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
Investment in units of Non-Convertible Debenture	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-

Type of financial instruments	Fair value of asset as on March 31, 2021	Fair value of liability as on March 31, 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
Investment in units of Non-Convertible Debenture	186.00	-	Discounted cash flow	Expected future cash flows	INR 13,98,496 per NCD	5%	9.30	5%	(9.30)
				Discount rate	17.47%	0.5%	(1.00)	0.5%	1.00
<b>Total</b>	<b>186.00</b>	<b>-</b>					<b>8.30</b>		<b>(8.30)</b>



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 39 Total market risk exposure

Particulars	March 31, 2022			March 31, 2021		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cash equivalent and other bank balances	30.87	-	30.87	87.29	-	87.29
Financial assets at FVTPL	1,168.69	1,168.69	-	747.11	747.11	-
Trade receivables	148.89	-	148.89	161.00	-	161.00
Trade receivables - related party	0.87	-	0.87	0.54	-	0.54
Other Financial Assets	7.90	-	7.90	24.41	-	24.41
<b>Total</b>	<b>1,357.22</b>	<b>1,168.69</b>	<b>188.53</b>	<b>1,020.35</b>	<b>747.11</b>	<b>273.24</b>
<b>Liability</b>						
Trade payables	98.32	-	98.32	74.50	-	74.50
Trade payables - related party	8.01	-	8.01	10.59	-	10.59
Lease liabilities	52.21	-	52.21	54.63	-	54.63
Other liabilities	306.11	-	306.11	167.94	-	167.94
<b>Total</b>	<b>464.65</b>	<b>-</b>	<b>464.65</b>	<b>307.66</b>	<b>-</b>	<b>307.66</b>



**Edelweiss Asset Management Limited**

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

(Currency : Indian rupees in millions)

**40 Contractual Maturity Analysis**

The table below summarises the maturity profile of the undiscounted cash flows of the company's financial liabilities, financial assets, derivatives and financial commitments as at March 31, 2022 and March 31, 2021.

The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturity with respect to financial liabilities is based on the earliest date on which the company can be required to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived based on the interest rates in force at the balance sheet date. Further, with regards to amounts payable in currencies other than Indian Rupees, the amounts are determined based on the spot exchange rates at the balance sheet date. The analysis with respect to financial assets is based on expected maturities. All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

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

As at March 31, 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	98.32	-	-	-	-	-	98.32
Trade payables - Related party	-	-	-	-	8.01	-	-	-	-	-	8.01
Lease liabilities	-	-	-	-	-	-	-	52.21	-	-	52.21
Other financial liabilities	-	-	-	-	306.11	-	-	-	-	-	306.11
<b>Total undiscounted non-derivative financial liabilities</b>	-	-	-	-	<b>412.44</b>	-	-	<b>52.21</b>	-	-	<b>464.65</b>

As at March 31, 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	74.50	-	-	-	-	-	74.50
Trade payables - Related party	-	-	-	-	10.59	-	-	-	-	-	10.59
Lease liabilities	-	-	-	-	-	-	-	54.63	-	-	54.63
Other financial liabilities	-	-	-	-	167.94	-	-	-	-	-	167.94
<b>Total undiscounted non-derivative financial liabilities</b>	-	-	-	-	<b>253.03</b>	-	-	<b>54.63</b>	-	-	<b>307.66</b>

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

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

As at March 31, 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	-	30.87	-	-	-	-	-	-	-	-	30.87
Trade receivables	-	-	-	-	148.89	-	-	-	-	-	148.89
Trade receivables - Related party	-	-	-	-	0.87	-	-	-	-	-	0.87
Investments at fair value through profit or loss	-	495.50	-	-	-	-	-	-	-	673.19	1,168.69
Other financial assets	-	-	-	-	-	-	-	7.90	-	-	7.90
<b>Total</b>	-	<b>526.37</b>	-	-	<b>149.76</b>	-	-	<b>7.90</b>	-	<b>673.19</b>	<b>1,357.22</b>

As at March 31, 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	-	87.29	-	-	-	-	-	-	-	-	87.29
Trade receivables	-	-	-	-	161.00	-	-	-	-	-	161.00
Trade receivables - Related party	-	-	-	-	0.54	-	-	-	-	-	0.54
Investments at fair value through profit or loss	-	271.95	-	-	-	186.00	-	-	-	289.16	747.11
Other financial assets	-	-	-	-	-	-	-	24.41	-	-	24.41
<b>Total</b>	-	<b>359.24</b>	-	-	<b>161.54</b>	<b>186.00</b>	-	<b>24.41</b>	-	<b>289.16</b>	<b>1,020.35</b>





**Edelweiss Asset Management Limited**

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

(Currency : Indian rupees in millions)

**40 Contractual Maturity Analysis**

**C. Maturity analysis for derivatives:**

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

As at 31 March 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Net settled derivatives entered into for trading purposes	-	-	-	-	-	-	-	-	-	-	-
Other net settled derivatives (other than those entered into for trading purposes)	-	-	-	-	-	-	-	-	-	-	-
Contractual amounts payable	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Net settled derivatives entered into for trading purposes	(0.34)	-	-	-	-	-	-	-	-	-	(0.34)
Other net settled derivatives (other than those entered into for trading purposes)	-	-	-	-	-	-	-	-	-	-	-
Contractual amounts payable	(0.34)	-	-	-	-	-	-	-	-	-	(0.34)
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 41. Sensitivity Analysis

##### Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

2021-22						
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	0.04	0.04	5	(0.04)	(0.04)

2020-21						
Currency	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	0.02	0.02	5	(0.02)	(0.02)

##### 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.

2021-22						
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
Derivatives	5	-	-	5	-	-
Others (Investment in Equity shares of MF Utilities)	5	1.70	1.70	5	(1.70)	(1.70)

2020-21						
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
Derivatives	5	(1.97)	(1.97)	5	1.97	1.97
Others (Investment in Equity shares of MF Utilities)	5	0.06	0.06	5	(0.06)	(0.06)

##### Other price risk

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

2021-22						
Impact on	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Others (Invt. in units of fund)	5	17.00	17.00	5	(17.00)	(17.00)
Others (Invt. in Mutual funds)	5	39.73	39.73	5	(39.73)	(39.73)

2020-21						
Impact on	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Others (Invt. in units of fund)	5	-	-	5	-	-
Others (Invt. in Mutual funds)	5	28.00	28.00	5	(28.00)	(28.00)



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 42. Income Tax

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

Particulars	2021-22	2020-21
Current tax	-	-
Write-down of deferred tax asset (other than on unused tax losses and unused tax credits)	-	-
<b>Total tax charge</b>	-	-
Current tax	-	-
MAT credit reversal	-	-

#### Reconciliation of total tax charge

Particulars	2021-22	2020-21
Accounting profit before tax as per financial statements	202.91	47.82
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	51.07	12.04
<b>Effect of income not subject to tax:</b>	<b>(51.07)</b>	<b>(12.04)</b>
<b>Others</b>		
Others	-	-
Write-down of available tax credits which are not considered recoverable (for example, Minimum Alternate Tax credit)	-	-
<b>Tax charge for the year recorded in P&amp;L</b>	<b>-</b>	<b>-</b>

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

Movement for the period (2021-22)					
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Total movement	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:					
Property, Plant and Equipment	(115.80)	(1.76)	-	(1.76)	(117.56)
Other investments (equity instruments)	19.13	(11.80)	-	(11.80)	7.33
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	95.69	13.40	-	13.40	109.09
Others	0.98	0.16	-	0.16	1.14
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Movement for the period (2020-21)					
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Total movement	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:					
Property, Plant and Equipment	(98.48)	(17.32)	-	(17.32)	(115.80)
Other investments (equity instruments)	5.50	13.63	-	13.63	19.13
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	91.18	4.51	-	4.51	95.69
Others	1.80	(0.82)	-	(0.82)	0.98
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





# Edelweiss Asset Management Limited

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

(Currency: Indian Rupees in millions)

43. The Company does not have any long term contract including derivative contract for which there were any material foreseeable losses.

44. **Subsequent Event**

The Company has evaluated all events that occur after the balance sheet date through the date when the financial statements were issued to determine if they must be reported. The Management of the Company determined that there were no reportable subsequent events to be disclosed.

45. For all the amounts below Rs. 5000/- in the schedules and notes of financial statements, the amounts are appearing zero on account of presentation of financial statements in Indian Rupees in millions.



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

#### 46. Other Additional Information

##### 46.1. 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.

##### 46.2. 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

##### 46.3. 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.

##### 46.4 Security of current assets against borrowings

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

##### 46.5. Wilful Defaulter

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

##### 46.6. Relationship with Struck off Companies

Below are the transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of struck off Company	Nature of transactions with struck-off Company	Amount of Transaction		Balance outstanding
		2021-22	2020-21	
Amit Ventures	Payables	0.02	-	Nil
Arihant Capital Markets Ltd.	Payables	0.00	-	Nil
Arihant Infotech	Payables	0.13	-	Nil
Deb Express Couriers	Payables	-	0.00	Nil
Globex International	Payables	0.01	0.01	Nil
Jagdamba Traders	Payables	-	0.01	Nil
Kamal Enterprises	Payables	0.03	0.00	Nil
Ocean Finvest	Payables	0.66	-	Nil
Practical Financial Services Pvt. Ltd.	Payables	0.00	-	Nil
Shams Cable Network	Payables	-	0.03	Nil
Sift Capital	Payables	0.02	-	Nil

##### 46.7. 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.



## Edelweiss Asset Management Limited

### Notes to the financial statements (Continued)

#### 46.8. Ratios

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	% of Deviation	Reason
1. Capital to risk-weighted assets ratio (CRAR)	NA	NA	NA	
2. Tier I CRAR	NA	NA	NA	
3. Tier II CRAR	NA	NA	NA	
4. Liquidity coverage ratio	NA	NA	NA	
5. Current ratio(a)	1.91	2.40	-20%	
6. Return on equity ratio(b)	0.28	0.07	324%	Increase due to increase in Net profit
7. Net profit ratio(c)	0.12	0.04	205%	compared to previous year

(a) Current ratio = current assets / current liabilities

(b) Return on equity ratio = Net Earnings / Shareholders' Equity

(c) Net profit ratio = Net Profit / Total revenue

#### 46.9. 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
- (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
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

#### 46.10. 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).

#### 46.11. 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 Asset Management Limited

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

(Currency: Indian Rupees in millions)

### 47. Prior period comparatives

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

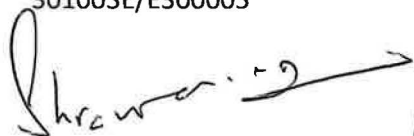
As per our report of even date attached

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

*Chartered Accountants*

ICAI Firm Registration Number:

301003E/E300005



**per Shrawan Jalan**

*Partner*

Membership No: 102102

For and on behalf of the Board of Directors



**Venkatchalam Ramaswamy**

*Director*

DIN – 00008509



**Radhika Gupta**

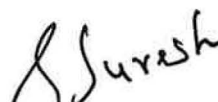
*Managing Director and CEO*

DIN – 02657595



**Vivek Gupta**

*Company Secretary*



**Suresh Gurumani**

*Director*

DIN - 00636844



**Amit Malpani**

*Chief Financial Officer*

Mumbai

May 05, 2022

Mumbai

May 05, 2022

