

Edelweiss Capital Services Limited

Corporate Identity Number: U67190MH2021PLC355152

Financial Statements for the year ended March 31, 2022

Independent Auditors' Report

To the Members of Edelweiss Capital Services Limited
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Edelweiss Capital Services 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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



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Management's Responsibilities for the Ind AS Financial Statements

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

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

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

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

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

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

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

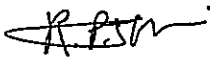
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) In our opinion, 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.



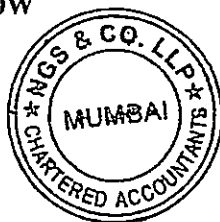
(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 2.41(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;
- b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 2.41(vi) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the period by the Company.

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



R. P. Soni
Partner
Membership No.:104796



UDIN: 22104796AJDPDV7795

Place: Mumbai
Date: May 17, 2022

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Capital Services Limited ('the Company') on the financial statements for the year ended March 31, 2022, we report that:

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, there is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2022.
- (e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not involve inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order are not applicable to the Company.
- (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) In our opinion and according to the information and explanations given to us by the management, during the year the Company has not made any investments in, or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.



- (vi) To the best of our knowledge and as explained by the management of the Company, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to employees' state insurance, sales tax, service tax, duty of excise, duty of custom, value added tax and cess are not applicable to the Company.

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

- (b) According to the information and explanation given to us, there are no dues of income tax, provident fund, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The provisions relating to employees' state insurance, sales tax, service tax, duty of excise, duty of custom, value added tax and cess are not applicable to the Company.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed any loans or borrowings from any lender during the year. Accordingly, the requirement to report on clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) The Company did not avail any term loan during the year. Hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year. Hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.
- (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.
- (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.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company



- (xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with 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) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given by the management, the Company has not entered into non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the current year. However, in the immediately preceding financial period, the Company had incurred cash losses amounting to Rs. 1,60,19,438.
- (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 2.32 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 neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 2.42 to the financial statements.
- (b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 2.42 to the financial statements.
- (xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

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



R. P. Soni
Partner
Membership No.:104796



UDIN: 22104796AJDPDV7795

Place: Mumbai
Date: May 17, 2022

Annexure B to the Auditors' Report

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

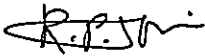
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 NGS & Co. LLP
Chartered Accountants
Firm Registration No. 119850W




R. P. Soni
Partner
Membership No.:104796

UDIN: 22104796AJDPDV7795

Place: Mumbai
Date: May 17, 2022

Edelweiss Capital Services Limited

Balance Sheet

(Currency : Indian rupees in thousands)

	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Non current assets			
(a) Property, plant and equipment	2.1	2,052	154
(b) Other intangible assets	2.2	10,872	-
(c) Current tax assets (net)	2.3	3,268	110
(d) Deferred tax assets (net)	2.4	6,318	-
		<u>22,510</u>	<u>264</u>
Current assets			
(a) Financial assets			
(i) Trade receivables	2.5	16,569	-
(i) Cash and cash equivalents	2.6	1,208,437	506,601
(iii) Bank balances other than cash and cash equivalents	2.7	307,263	-
(ii) Other financial assets	2.8	1,009,532	2,132
(b) Other current assets	2.9	7,098	40
		<u>2,548,899</u>	<u>508,773</u>
Total assets		<u><u>2,571,409</u></u>	<u><u>509,037</u></u>
Equity and liabilities			
Equity			
(a) Equity share capital	2.10	550,000	520,000
(b) Other equity	2.11	4,684	(16,220)
		<u>554,684</u>	<u>503,780</u>
Liabilities			
Non current liabilities			
Provision	2.12	5,385	2,237
		<u>5,385</u>	<u>2,237</u>
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	2.13	1,426,834	570
(ii) Other financial liabilities	2.14	579,988	87
(b) Other current liabilities	2.15	3,039	1,619
(c) Provisions	2.16	1,479	745
		<u>2,011,340</u>	<u>3,021</u>
Total equity and liabilities		<u><u>2,571,409</u></u>	<u><u>509,037</u></u>

The accompanying accounting policies and notes are an integral part of the financial statements

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As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants

Firm Registration Number: 119850W

R.P. Soni

R.P. Soni

Partner

Membership No: 104796



For and on behalf of the Board of Directors

Atul Badkar

Atul Badkar
Managing Director & CEO
DIN : 08063582

Shiv Sehgal

Shiv Sehgal
Director
DIN : 07112524

Mahadev Gole

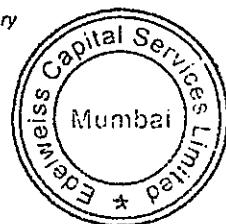
Mahadev Gole
Chief Financial Officer

Dipankar Basu

Dipankar Basu
Company Secretary

Mumbai
May 17, 2022

Mumbai
May 17, 2022



Edelweiss Capital Services Limited

Statement of Profit and Loss

(Currency : Indian rupees in thousands)

	Note	For the year March 31, 2022	For the period from February 12, 2021 to March 31, 2021
Revenue from operations			
Fee and commission income	2.17	166,649	-
Interest income	2.18	13,493	1,473
Total Revenue from operations		180,142	1,473
Other income	2.19	10	-
Total Revenue		180,152	1,473
Expenses			
Employee benefits expense	2.20	87,430	5,071
Finance costs	2.21	704	-
Impairment on financial instruments	2.22	878	-
Depreciation, amortisation and impairment	2.1 & 2.2	28,155	5
Other expenses	2.23	40,009	12,421
Total expenses		157,176	17,497
Profit before tax		22,976	(16,024)
Tax expenses:			
Current tax			
(1) Current tax		8,708	-
(2) Deferred tax (net)		(6,202)	-
Profit for the year / period		20,470	(16,024)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans - gratuity (OCI)		(414)	(196)
Less: Income tax relating to items that will not be reclassified to profit or loss		(115)	-
Total		(299)	(196)
Other Comprehensive Income		(299)	(196)
Total Comprehensive Income		20,171	(16,220)
Earnings per equity share (Face value of ₹ 10 each):			
Basic and diluted (In rupees)	2.25	0.38	(0.31)

The accompanying accounting policies and notes are an integral part of the financial statements

1 & 2

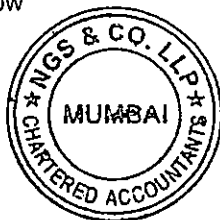
As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants


Firm Registration Number: 119850W


R.P. Soni
Partner
Membership No: 104796




For and on behalf of the Board of Directors


Atul Badkar
Managing Director & CEO
DIN : 08063582

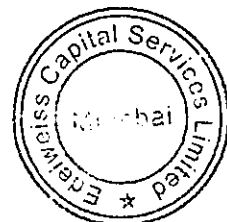

Shiv Sehgal
Director
DIN : 07112524


Mahadev Gole
Chief Financial Officer


Dipankar Basu
Company Secretary

Mumbai
May 17, 2022

Mumbai
May 17, 2022

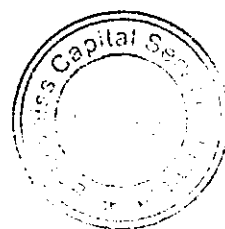


Edelweiss Capital Services Limited

Cash Flow Statement

(Currency : Indian rupees in thousands)

	For the year ended March 31, 2022	For the period ended February 12, 2021 to March 31, 2021
A Cash flow from operating activities		
Profit/(loss) before taxation	22,976	(16,024)
Adjustments for		
Depreciation	28,155	5
Provision for compensated absences	404	-
Provision for gratuity	1,128	-
Provision for expected credit loss	562	-
Profit on sale of fixed assets	1	-
ESOP cost	733	-
Operating cash flow before working capital changes	53,959	(16,019)
Add / (Less): Adjustments for working capital changes		
Increase in trade receivables	(17,131)	-
Increase in other bank balances	(307,263)	-
Increase in other financial assets	(1,007,400)	(2,132)
Increase in other non financial assets	(7,058)	(40)
Increase in liabilities and provisions	2,009,521	5,061
Cash generated from / (used in) operations	724,628	(13,130)
Income taxes paid	11,866	110
Net cash generated from / (used in) operating activities - A	712,762	(13,241)
B Cash flow from investing activities		
Purchase of fixed assets	(40,940)	(159)
Sale of fixed assets	14	-
Net cash used in investing activities - B	(40,926)	(159)
C Cash flow from financing activities		
Proceeds from issue of share capital	30,000	520,000
Net cash generated from financing activities - C	30,000	520,000
Net increase in cash and cash equivalents (A+B+C)	701,836	506,601
Cash and cash equivalent as at the beginning of the year/ period	506,601	-
Cash and cash equivalent as at the end of the year / period	1,208,437	506,601



Edelweiss Capital Services Limited

Cash Flow Statement

(Currency : Indian rupees in thousands)

For the year ended
March 31, 2022

For the period ended
February 12, 2021 to
March 31, 2021

Notes:

1 Component of cash and cash equivalents

Cash and Cash equivalents

Balances with banks

in current accounts

in fixed deposits with original maturity less than 3 months

Accrued interest on fixed deposits

979,506

228,900

31

1,208,437

6,569

500,000

32

506,601

2 The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Indian Accounting Standard - 7 "Cash Flow Statements" specified under Section 133 of Companies Act, 2013 read with Paragraph 7 of the Companies (Accounts) Rules, 2014.

3 Purchase of tangible and intangible assets includes movement of capital expenditure during the year.

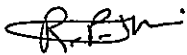
As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants

Firm Registration Number: 119850W

For and on behalf of the Board of Directors



R.P. Soni

Partner

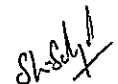
Membership No: 104796



Atul Badkar

Managing Director & CEO

DIN : 08063582



Shiv Sehgal

Director

DIN : 07112524



Mahadev Gole

Chief Financial Officer



Dipankar Basu

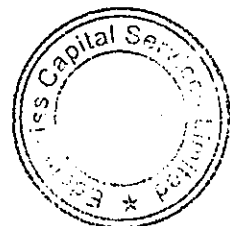
Company Secretary

Mumbai

May 17, 2022

Mumbai

May 17, 2022



Statement of changes in Equity

(Currency : Indian rupees in thousands)

Equity share capital

Balance at the beginning of the reporting period (February 12, 2021)	Changes in equity share capital	Balance at the end of the reporting period (March 31, 2021)
-	520,000	520,000

Balance at the beginning of the reporting year (April 1, 2021)	Changes in equity share capital	Balance at the end of the reporting year (March 31, 2022)
520,000	30,000	550,000

Other Equity

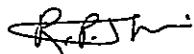
	Retained earnings
Balance as at February 12, 2021	-
Loss for the period	(16,024)
Other comprehensive income	(196)
Total Comprehensive Income	(16,220)
A) Balance at March 31, 2021 (A)	(16,220)
Profit for the year	20,470
Other comprehensive income	(299)
B) Total Comprehensive Income	20,171
C) Reversal of ESOP cost on cancellation	733
D) Balance at March 31, 2022 (A + B + C)	4,684

As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants

Firm Registration Number: 119850W



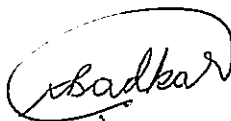
R.P. Soni

Partner

Membership No: 104796



For and on behalf of the Board of Directors



Atul Badkar

Managing Director & CEO

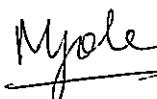
DIN : 08063582



Shiv Sehgal

Director

DIN : 07112524



Mahadev Gole

Chief Financial Officer

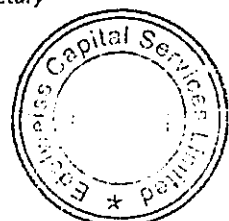


Dipankar Basu

Company Secretary

Mumbai
May 17, 2022

Mumbai
May 17, 2022



Edelweiss Capital Services Limited

Notes to the financial statements (*Continued*)

for the year ended March 31, 2022

(Currency: Indian rupees in thousand)

1. Significant accounting policies

1.1 Company background

Edelweiss Capital Services Limited ('the Company') was incorporated on February 12, 2021. The Company is subsidiary of Edelweiss Financial Services Limited. The Company was incorporated for carrying out the business as custodian of securities and designated depository participant.

The Company has obtained Custodian of Securities License and Designated Depository Participant License from SEBI, Depository Participant Registration from NSDL, Custodian enablement from NSE Clearing Limited / Indian Clearing Corporation Limited, SLBM enablement from NSE Clearing Limited.

1.2 Basis of preparation and presentation of financial statements

The Company's financial statements have been prepared and presented in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and in compliance with the Division II of the Schedule III to the Companies Act, 2013.

The Company's financial statements have been prepared on a historical cost basis. The Company's financial statements are presented in Indian Rupees (INR).

1.3 Revenue recognition

Interest income is recognised on accrual basis of accounting.

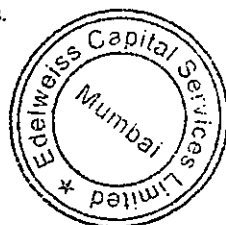
1.4 Financial Instruments

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.



Edelweiss Capital Services Limited

Notes to the financial statements (*Continued*)

for the year ended March 31, 2022

(Currency: Indian rupees in thousand)

1.4 Financial Instruments (*Continued*)

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:

Financial assets carried at amortised cost (AC) or

Financial assets at fair value through other comprehensive income (FVTOCI) or

Financial assets at fair value through profit or loss (FVTPL) or

Amortized cost and effective interest rate (EIR)

Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure

Financial liabilities

All financial liabilities are measured at amortised cost.

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.

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 businessline.

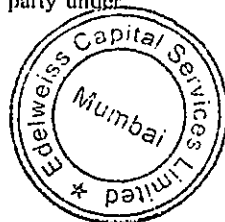
Derecognition of financial assets and financial liabilities

Derecognition of financial asset

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

The Company shall transfer the financial asset if, and only if, either

- The Company transfers the rights to receive cash flows from the financial asset or
- It retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.



Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2022

(Currency: Indian rupees in thousand)

1.4 Financial Instruments (Continued)

Derecognition of financial assets and financial liabilities

Derecognition of financial asset (Continued)

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition.

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.

Impairment of financial assets

The Company records provisions based on expected credit loss model ("ECL") on all, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

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.

Write-offs

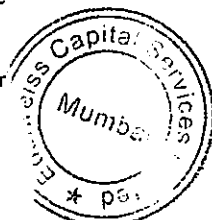
Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

1.5 Property, plant and equipment

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

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

Depreciation is recognized 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.



Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2022

(Currency: Indian rupees in thousand)

1.5 Property, plant and equipment (Continued)

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.

Property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in other income / expense in the statement of profit and loss for the year the asset is derecognised.

The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

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

The estimated useful lives of the fixed assets are as follows:

Class of asset	Useful life
Furniture and fixtures	10 years
Vehicles	8 years
Office equipment	5 years
Computers and data processing units - Servers and networks	6 years
Computers and data processing units – End user devices, such as desktops, laptops etc.	3 years

Intangible fixed assets

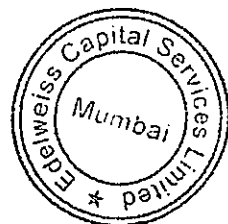
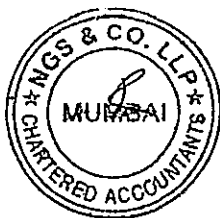
An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible fixed assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any.

Intangible such as software is amortised over a period of 3 years based on its estimated useful life.

1.6 Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at banks, which are subject to an insignificant risk of changes in value.



Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

for the year ended March 31, 2022

(Currency: Indian rupees in thousand)

1.7 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 period. 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 carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

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

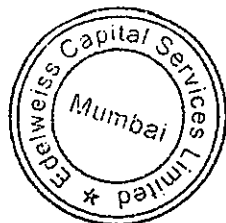
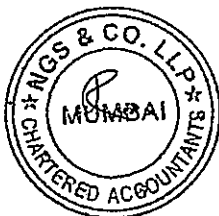
- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

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

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

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

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



Edelweiss Capital Services Limited

Notes to the financial statements (*Continued*)

for the year ended March 31, 2022

(Currency: Indian rupees in thousand)

1.7 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Indian Accounting Standard 33 - Earnings Per Share. Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

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

1.8 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.

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

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

1.9 Retirement and other employee benefits:

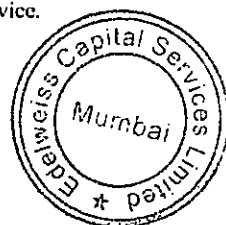
The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Ind- AS 19 – Employee benefits, is set out below:

Provident fund and national pension scheme

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

Gratuity

Every employee is entitled to a benefit equivalent to 15 days salary last drawn for each completed year of service in line with The Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.



Edelweiss Capital Services Limited

Notes to the financial statements (*Continued*)

for the year ended March 31, 2022

(Currency: Indian rupees in thousand)

1.10 Retirement and other employee benefits:

Gratuity (Continued)

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. Such 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 actuarial valuation using the Projected Unit Credit Method which recognises each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Compensated leave absences

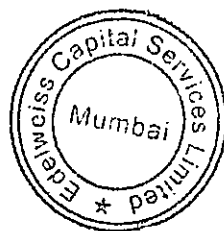
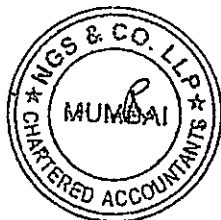
The eligible employees of the Company are permitted to carry forward certain number of their annual leave entitlement to subsequent years, subject to a ceiling. The Company recognises the charge to the statement of profit and loss and corresponding liability on account of such non-vesting accumulated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

1.11 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.

1.12 Standards issued but not yet effective

There are no standard issued but not effective



2.1 Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at April 01, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 01, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Computers	159	3,223	19	3,363	5	1,310	4	1,311	2,052
Total	159	3,223	19	3,363	5	1,310	4	1,311	2,052

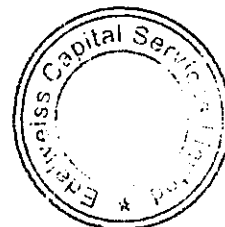
2.1a Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at April 01, 2020	Additions during the period	Disposals during the period	As at March 31, 2021	As at April 01, 2020	Charge for the period	Disposals during the period	As at March 31, 2021	As at March 31, 2021
Computers	-	159	-	159	-	5	-	5	154
Total	-	159	-	159	-	5	-	5	154

Note - There is no revaluation of Property, Plant and Equipment during the current year and previous year.

2.2 Other Intangible Assets

Description of Assets	Gross Block				Accumulated Amortisation and Impairment				Net Block
	As at April 01, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	As at April 01, 2021	Charge for the year	Disposals during the year	As at March 31, 2022	As at March 31, 2022
Software	-	37,716	52	37,665	-	26,845	52	26,793	10,872
Total	-	37,716	52	37,665	-	26,845	52	26,793	10,872



	As at March 31, 2022	As at March 31, 2021
2.3 Current tax assets (net)		
Advance income taxes	3,268	110
	<u>3,268</u>	<u>110</u>
2.4 Deferred tax assets		
Deferred tax assets		
<u>Trade and other receivables</u>		
Provision for expected credit loss	156	-
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	4,252	-
<u>Employee benefit obligations</u>		
Disallowances under section 43B of the Income Tax Act, 1961	1,910	-
	<u>6,318</u>	<u>-</u>
2.5 Trade Receivables		
Unsecured, considered good	17,131	-
Total	<u>17,131</u>	<u>-</u>
Less: Allowance for expected credit losses	562	-
Total	<u>562</u>	<u>-</u>
	<u>16,569</u>	<u>-</u>

Trade Receivables aging schedule

Particulars	Outstanding for following periods from date of transaction					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2022						
Gross receivables						
(i) Undisputed Trade receivables – considered good	16,824	72	216	19	-	17,131
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Gross receivable (A)	16,824	72	216	19	-	17,131
ECL provision on trade receivables						
(i) Undisputed Trade receivables – considered good	309	18	216	19	-	562
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total ECL provision on receivables (B)	309	18	216	19	-	562
Total receivables net of provision (A - B)	16,515	54	-	-	-	16,569

Trade receivable as at March 31, 2021 is Nil

Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on March 31, 2020	-
Add/ (less): asset originated or acquired (net)	-
Impairment allowance as on March 31, 2021	-
Add/ (less): asset originated or acquired (net)	562
Impairment allowance as on March 31, 2022	562

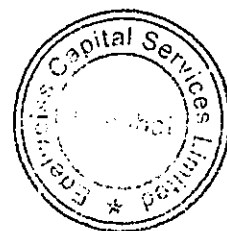


Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2022	As at March 31, 2021
2.6 Cash and cash equivalents		
Balances with banks		
- in current accounts	979,506	6,569
- in fixed deposits with original maturity less than 3 months	228,900	500,000
- Accrued interest on fixed deposits	31	32
	<u>1,208,437</u>	<u>506,601</u>
2.7 Bank balances other than cash and cash equivalents		
Long term bank deposits with banks	307,263	-
	<u>307,263</u>	<u>-</u>
* Of these deposit of Rs. 200,900 thousands are pledged with exchange for meeting margin requirement		
2.8 Other financial assets		
Unsecured, considered good		
Deposits placed with/ for exchange/ depositories	5,000	-
Receivable from exchange /clearing house (net)	1,001,448	-
Advances recoverable in cash or in kind or for value to be received	3,084	2,132
	<u>1,009,532</u>	<u>2,132</u>
2.9 Other current assets		
Input tax credit	720	35
Prepaid expenses	821	-
Vendor Advances	5,555	5
Advances to employees	2	-
	<u>7,098</u>	<u>40</u>



Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2022	As at March 31, 2021
2.10 Equity share capital		
Authorised :		
60,000,000 Equity Shares of ₹ 10 each	600,000	600,000
	<u>600,000</u>	<u>600,000</u>
Issued, Subscribed and Paid up:		
55,000,000 (Previous period: 52,000,000) Equity shares of ₹ 10 each, fully paid-up	550,000	520,000
	<u>550,000</u>	<u>520,000</u>

a. Movement in share capital :

	As at March 31, 2022		As at March 31, 2021	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year / period	52,000,000	520,000	-	-
Shares issued during the year / period	3,000,000	30,000	52,000,000	520,000
Outstanding at the end of the year / period	<u>55,000,000</u>	<u>550,000</u>	<u>52,000,000</u>	<u>520,000</u>

b. Shares held by holding/ultimate holding company and/or their subsidiaries/ associates

	As at March 31, 2022			As at March 31, 2021		
	No of shares	Amount	%	No of shares	Amount	%
Edelweiss Financial Services Limited, Holding Company	28,050,000	280,500	51%	26,520,000	265,200	51%
Edelweiss Securities Limited, associate of Holding Company	26,950,000	269,500	49%	25,480,000	254,800	49%
	<u>55,000,000</u>	<u>550,000</u>	<u>100%</u>	<u>52,000,000</u>	<u>520,000</u>	<u>100%</u>

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

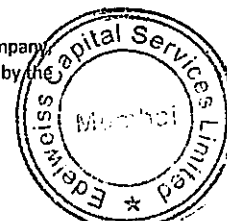
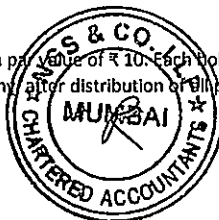
	As at March 31, 2022			As at March 31, 2021		
	No of shares	Amount	%	No of shares	Amount	%
Edelweiss Financial Services Limited, Holding Company	28,050,000	280,500	51%	26,520,000	265,200	51%
Edelweiss Securities Limited, associate of Holding Company	26,950,000	269,500	49%	25,480,000	254,800	49%
	<u>55,000,000</u>	<u>550,000</u>	<u>100%</u>	<u>52,000,000</u>	<u>520,000</u>	<u>100%</u>

d. Shares held by promoters at the end of the year

	As at March 31, 2022			As at March 31, 2021		
S. No	Promoter name	No. of Shares	% of total shares	No. of Shares	% of total shares	% Change during the year
	Edelweiss Financial Services Limited, Holding Company	28,050,000	51%	26,520,000	51%	-
		28,050,000	51%	26,520,000	51%	-

e. Terms/rights attached to equity shares :

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



Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2022	As at March 31, 2021
2.11 Other Equity		
Retained Earnings	4,684	(16,220)
	<u>4,684</u>	<u>(16,220)</u>

A) Nature and purpose of Reserves

Retained earnings comprises of the Company's undistributed earnings after taxes.

B) Movement in Other Equity

Retained Earnings		
Opening Balance	(16,220)	-
Reversal of ESOP cost on laps or cancelled	733	-
Add: Profit / (Loss) for the year / period	20,470	(16,024)
Add: Other comprehensive income for the year / period	(299)	(196)
Amount available for appropriation	<u>4,684</u>	<u>(16,220)</u>
Appropriations:	-	-
Total	<u>4,684</u>	<u>(16,220)</u>

2.12 Provisions - non-current

Gratuity	4,799	1,955
Compensated leave absences	586	282
	<u>5,385</u>	<u>2,237</u>

2.13 Trade Payables

Total outstanding dues of micro enterprises and small enterprises (refer note 2.27)

Total outstanding dues to creditors other than micro enterprises and small enterprises

-	-
1,426,834	570
<u>1,426,834</u>	<u>570</u>

Trade payables due for payment

Particulars	Outstanding for following periods from date of transaction					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2022						
(i) MSME	-	-	-	-	-	-
(ii) Others	4	1,426,830	-	-	-	1,426,834
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	4	1,426,830	-	-	-	1,426,834

Particulars	Outstanding for following periods from date of transaction					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
March 31, 2021						
(i) MSME	-	-	-	-	-	-
(ii) Others	334	236	-	-	-	570
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	334	236	-	-	-	570



Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

2.14 Other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Other payables	211	83
Payable to client (net)	559,657	-
Accrued salaries and benefits	20,120	4
	<u>579,988</u>	<u>87</u>

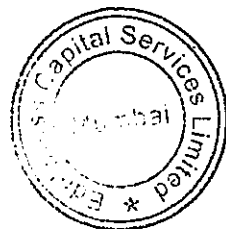
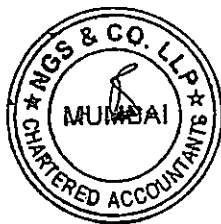
2.15 Other current liabilities

Statutory liabilities*	2,954	1,619
Others	85	-
	<u>3,039</u>	<u>1,619</u>

* Includes withholding taxes, other taxes payable

2.16 Provisions

Gratuity	1,290	656
Compensated absences	189	89
	<u>1,479</u>	<u>745</u>

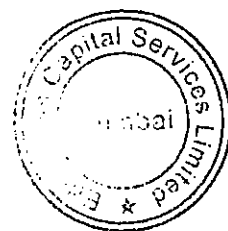


Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	For the year March 31, 2022	For the period from February 12, 2021 to March 31, 2021
2.17 Fee and commission income (Service transferred at a point in time)		
Advisory and other fees	126,034	-
Custody fees	40,615	-
	<u>166,649</u>	<u>-</u>
2.18 Interest Income		
Interest income on fixed deposits	13,493	1,473
	<u>13,493</u>	<u>1,473</u>
2.19 Other income		
Interest on income tax refund	7	-
Miscellaneous income	3	-
	<u>10</u>	<u>-</u>



Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	For the year March 31, 2022	For the period from February 12, 2021 to March 31, 2021
2.20 Employee benefit expenses		
Salaries and wages	79,312	4,949
Contribution to provident and other funds (refer note 2.30)	3,705	39
Expense on share based payments and Employee Stock Appreciation Rights - (refer note below)	927	83
Staff welfare expenses	3,486	-
	<u>87,430</u>	<u>5,071</u>

Note:

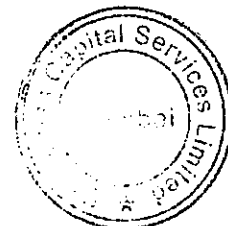
Edelweiss Financial Services Limited ("EFSL") the holding Company has Employee Stock Option Plans (ESOP) and Stock Appreciation Rights Plans (SAR) in force. Based on such ESOP/SAR schemes, parent entity has granted an ESOP/SAR option to acquire equity shares of EFSL that would vest in a graded manner 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.

2.21 Finance costs

Other interest expense		
Financial and bank charges	658	-
Interest on Margin	46	-
	<u>704</u>	<u>-</u>

2.22 Impairment on financial instruments

Bad- debts and advances written off	316	-
Provision for doubtful debts	562	-
	<u>878</u>	<u>-</u>



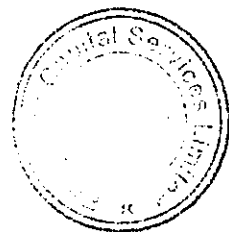
Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	For the year March 31, 2022	For the period from February 12, 2021 to March 31, 2021
2.23 Other expenses		
Advertisement and business promotion	706	-
Auditors' remuneration	375	120
Communication	772	89
Directors' sitting fees	280	-
Insurance	50	-
Legal and professional fees	7,024	3
Printing and stationery	69	-
Rates and taxes	25	-
Rent	6,555	-
Foreign exchange loss (net)	182	-
Computer expenses	4,567	265
Computer software	12,780	2
Dematerialisation charges	780	25
Loss on sale of fixed assets	1	-
Membership and subscription*	1,194	0
Office expenses	49	10
Postage and courier	71	-
ROC Expenses	35	4,565
Goods & Service tax expenses*	401	0
Stamp duty	277	1,196
Stock exchange expenses	519	5,515
Travelling and conveyance	2,206	629
Miscellaneous expenses	3	2
Outside Services Cost*	1,088	0
	<u>40,009</u>	<u>12,421</u>
Auditors' remuneration:		
As Auditors		
Audit fees	341	100
Certification fees	34	20
	<u>375</u>	<u>120</u>

* Amount is less than ₹ 1 thousand



Notes to the financial statements (Continued)

For the year ended March 31, 2022

(Currency : Indian rupees in thousands)

2.24 Income tax

The components of income tax expense :

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax	8,708	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	(6,317)	-
Total tax charge for the year	2,391	-
Current tax	8,708	-
Deferred tax	(6,317)	-

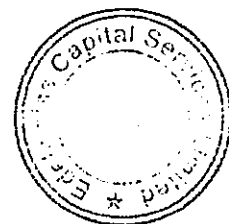
2.24a The income tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Profit before taxes	22,976	(16,024)
Statutory income tax rate	25.17%	25.17%
Tax charge at statutory rate	5,783	-
Tax effect of :		
Adjustment in respect of current income tax of prior years	-	-
Effect of income not subject to tax:		
Deduction u/s 35D (1/5th of capital expenditure)	-	-
Effect of non-deductible expenses:		
Employee stock option charges	233	-
Depreciation	(399)	-
Others	(281)	-
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	(2,715)	-
Tax charge for the year recorded in P&L	2,621	-

2.24c The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2021-22)			Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Total movement	
Deferred taxes in relation to:					
Property, plant and equipment	-	4,252	-	4,252	4,252
Employee benefits obligations	-	1,794	115	1,909	1,909
Provision on expected credit loss	-	156	-	156	156
Total	-	6,202	115	6,317	6,317

Deferred tax as at March 31, 2021 is Nil



Notes to the financial statements (Continued)

For the year ended March 31, 2022

(Currency : Indian rupees in thousands)

2.25 Earnings per share

In accordance with Indian Accounting Standard 33 on Earnings per share as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

Particulars	For the year ended March 31, 2022	For the period from February 12, 2021 to March 31, 2021
a) Profit / (Loss) after tax (as per Statement of Profit and Loss)	20,470	(16,024)
Less: dividend on preference share including dividend distribution tax	-	-
Net profit / (loss) for the period attributable to equity shareholders	20,470	(16,024)
b) Calculation of weighted average number of equity Shares of Rs. 10 each		
Number of shares outstanding at the beginning of the year / period	52,000,000	-
Number of Shares issued during the year / period	3,000,000	52,000,000
Total number of equity shares outstanding at the end of the year / period	55,000,000	52,000,000
Weighted average number of equity shares outstanding during the period (based on the date of issue of shares)	54,186,301	52,000,000
c) Basic and diluted earnings per share (in rupees) (a)/(b)	0.38	(0.31)

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

Basic earning per share (EPS) is calculated by dividing the net profit for the period attributable to equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of company (after adjusting for interest on the convertible preference shares (net of tax) by the weighted average number of equity shares outstanding during the period 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.

2.26 Segment reporting

The Company is in the business of providing custodial services for securities and financial instruments.

Since business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment

No revenue from transactions with a single external customer amounted to 10% or more of the Company's total revenue for the year ended 31st March 2022 or 31st March 2021.

2.27 Contingent liabilities and capital commitments

A. Contingent liabilities

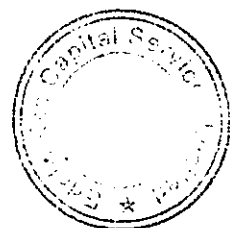
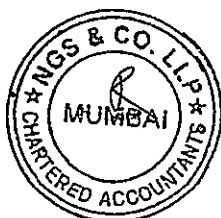
The Company has no contingent liabilities (Previous year: Nil) as at the balance sheet date.

B. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 5,000 thousands (net of advances) (Previous year: Nil)

2.28 Details of dues to micro and small enterprises

Trade Payables includes ₹ Nil (Previous year : Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the period 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 Capital Services Limited

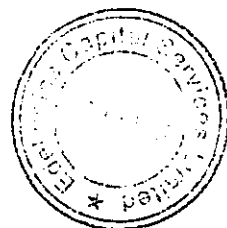
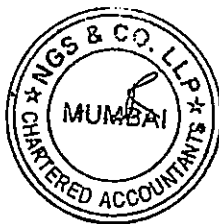
Notes to the financial statements (Continued)

For the year ended March 31, 2022

(Currency : Indian rupees in thousands)

2.29 Disclosure as required by Indian Accounting Standard 24 – “Related Party Disclosure”, as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 :

- | | |
|--|--------------------------|
| (i) Names of related parties by whom control is exercised | |
| Edelweiss Financial Services Limited (Upto March 15, 2021) | Ultimate Holding company |
| Edelweiss Financial Services Limited (w.e.f. March 16, 2021) | Holding company |
| Edelweiss Securities Limited (upto March 15, 2021) | Holding company |
| | |
| (ii) Investor who exercises significant influence over the Company | |
| Edelweiss Securities Limited (w.e.f 16 March 2021) | |
| | |
| (iii) Fellow Subsidiary with whom transactions have taken place | |
| Edelweiss Custodial Services Limited (upto 26 March 2021) | |
| ECap Equities Limited | |
| Edelweiss Rural & Corporate Services Limited | |
| Edelweiss Broking Limited | |
| Edelweiss General Insurance Company Limited | |
| Edelweiss Asset Management Limited | |
| ECL Finance Limited | |
| | |
| (iv) Key Managerial Personnel | |
| Anand Lalla (w.e.f. March 10, 2021) | Executive Director |
| Atul Badkar (w.e.f. March 10, 2021) | Executive Director |
| Dipankar Basu (w.e.f. July 21, 2021) | Company Secretary |
| Mahadev Gole (w.e.f. July 21, 2021) | Chief Financial Officer |



(Currency : Indian rupees in thousands)

2.29 Disclosure as required by Indian Accounting Standard 24 – "Related Party Disclosure", as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 : (Continued)

Transactions and balances with related parties for the year ended March 31, 2022 & period ended March 31, 2021

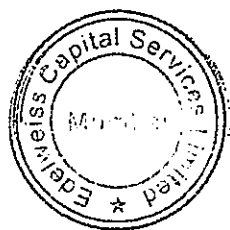
Sr. No	Nature of Transaction	Related Party Name	March 31, 2022	March 31, 2021
Capital account transactions				
1	Equity share capital	Edelweiss Securities Limited	14,700	520,000
		Edelweiss Financial Services Limited	15,300	-
Current account transactions				
2	Custody Fees received from	Edelweiss Asset Management Limited	664	-
3	Cost reimbursement paid to	Edelweiss Financial Services Limited	-	30
		Edelweiss Securities Limited*	2,013	1
		ECap Equities Limited*	1	1
		Edelweiss Rural & Corporate Services Limited	155	8
		ECL Finance Limited*	-	1
		Edelweiss General Insurance Company Limited	959	-
		Edelweiss Broking Limited	143	-
		Edelweiss Custodial Services Limited	4,212	-
4	Fixed assets purchased from	Edelweiss Securities Limited	1	-
		Edelweiss Broking Limited	6	-
		Edelweiss Custodial Services Limited	106	159
5	Fixed assets sold to	Edelweiss Securities Limited	1	-
		Edelweiss Broking Limited	3	-
		Edelweiss Financial Services Limited	9	-
6	Expense on Employee Stock Appreciation Rights paid to	Edelweiss Financial Services Limited	652	57
7	Expense on ESOP paid to	Edelweiss Financial Services Limited	275	25
8	Remuneration paid to KMP (refer note 1)	Anand Lalla	2,559	200
		Atul Badkar	7,816	1,517
		Dipankar Basu	920	-
		Mahadev Gole	1,337	-
9	Stamp Sale of Custody, SLB and DDP business (refer note 2 and 2.33)	Edelweiss Custodial Services Limited	101,156	-
10	Gratuity liability transferred from	Edelweiss Broking Limited	413	-
		Edelweiss Custodial Services Limited	2,671	-
Balances with related parties				
11	Other Reimbursements (ESOP) receivable from	Edelweiss Financial Services Limited	223	83
12	Other Reimbursements recovered from	Edelweiss Custodial Services Limited	-	2,132
13	Trade payable to	Edelweiss Securities Limited*	187	1
		Edelweiss Financial Services Limited	-	35
		ECap Equities Limited*	-	1
		Edelweiss Custodial Services Limited	478	187
		Edelweiss Broking Limited	16	-
		Edelweiss Rural & Corporate Services Limited	2	9
		ECL Finance Limited*	-	1
		Edelweiss General Insurance Company Limited	34	-
14	Trade receivables from	Edelweiss Asset Management Limited	55	-
		Edelweiss Custodial Services Limited	58	-
		Edelweiss Securities Limited	11	-
15	Others payable	Edelweiss Securities Limited	25	-
16	Others receivables	Edelweiss Broking Limited	413	-
		Edelweiss Custodial Services Limited	2,671	-

Note:

1 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.

2 The consideration primarily comprises of fixed deposits, trade receivables and fixed assets.

* Amount is less than ₹ 1 thousand



Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

2.30 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits

A) Defined contribution plan (Provident fund)

Amount of ₹ 2,576 thousands (Previous period : 38 thousands) is recognised as expenses in "Employee benefit expenses" – note 2.19 in the statement of profit and loss.

B) Defined benefit plan (Gratuity)

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

Expenses recognised in the statement of profit and loss

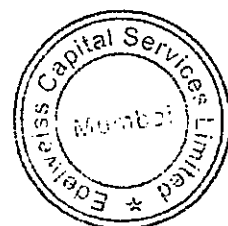
	For the year ended March 31, 2022	For the period ended March 31, 2021
Service cost		
a. Current service cost	843	157
b. Past service cost	-	-
c. Loss/ (Gain) from Settlement	-	-
Net interest on net defined benefit liability/ (asset)	285	126
Changes in foreign exchange rates	-	-
Employer Expense/ (Income)	1,128	283

Net liability/(assets) recognized in the balance sheet

	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation (DBO)	6,089	2,611
Fair value of plan assets	-	-
Net (assets)/liability recognised in the balance sheet	-	-
Funded status [Surplus/ (Deficit)]	-	-
Of which, Short term provision	1,290	656
Experience adjustment on plan liabilities: (Gain) /Loss	512	65

Reconciliation of Defined benefit obligation

	As at March 31, 2022	As at March 31, 2021
Present value of DBO at start of the year	2,611	-
Transfer In/(Out)	3,084	2,132
Interest cost	285	126
Current service cost	843	157
Benefits paid	(1,148)	-
Past service cost	-	-
Actuarial (gain)/loss on changes in demographic assumptions	-	142
Actuarial (gain)/loss on obligations	-	119
Actuarial (gain)/loss from changes in financial assumptions	(98)	-
Actuarial (gain)/loss on experience of past years	512	(65)
Present value of DBO at the end of the year	6,089	2,611



Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

2.30 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits (Continued)

B) Defined benefit plan (Gratuity) (Continued)

Movement in Other Comprehensive Income

	March 31, 2022	March 31, 2021
Balance at start of year (Loss)/ Gain	(196)	-
Re-measurement on DBO	-	-
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	(142)
b. Actuarial (Loss)/Gain from changes in financial assumptions	98	(119)
c. Actuarial (Loss)/Gain from experience over the past years	(512)	65
Re-measurement on Plan Assets	-	-
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Re-measurement on Asset Ceiling	-	-
Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Balance at the end of period (Loss)	(610)	(196)

Sensitivity Analysis

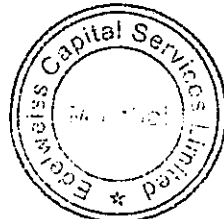
	March 31, 2022	March 31, 2021
DOB increases / (decreases) by		
1 % Increase in Salary Growth Rate	191	42
1 % Decrease in Salary Growth Rate	(180)	(39)
1 % Increase in Discount Rate	(181)	(40)
1 % Decrease in Discount Rate	196	43
1 % Increase in Withdrawal Rate	(11)	(3)
1 % Decrease in Withdrawal Rate	12	3
Mortality (Increase in expected lifetime by 1 year)*	Negligible change	Negligible change
Mortality (Increase in expected lifetime by 3 year)*	1	Negligible change

Movement in Surplus / (Deficit)

	March 31, 2022	March 31, 2021
Surplus/ (Deficit) at start of year	(2,611)	-
Net (Acquisition)/ Divestiture	-	-
Net Transfer (In)/ Out	(3,084)	(2,132)
Movement during the year	-	-
Current Service Cost	(843)	(157)
Past Service Cost	-	-
Net interest on net DBO	(285)	(126)
Changes in Foreign Exchange Rates	-	-
Re-measurement	(414)	(196)
Contributions/ Benefits	1,148	-
Surplus / (Deficit) at end of year	(6,089)	(2,611)

Principal actuarial assumptions at the balance sheet date

	For the year ended March 31, 2022	For the period ended March 31, 2021
Discount rate	5.4% p.a.	5% p.a.
Salary escalation	7% p.a.	7% p.a.
Interest Rate on Net DBO/ (Asset)	5% p.a.	5.9% p.a.
Withdrawal Rate	25% p.a.	25% p.a.
Mortality rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Expected average remaining working lives of employees	3 years	3 years



2.31 Analysis of non-derivative financial liabilities by remaining contractual maturities

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

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	-	1,426,834	-	-	-	-	-	-	-	-	1,426,834
Other financial liabilities	-	579,988	-	-	-	-	-	-	-	-	579,988
Total undiscounted non-derivative financial liabilities	-	2,006,822	-	-	-	-	-	-	-	-	2,006,822

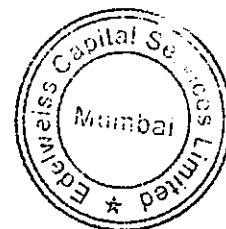
As at March 31, 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	570	-	-	-	-	-	-	-	-	570
Other financial liabilities	-	87	-	-	-	-	-	-	-	-	87
Total undiscounted non-derivative financial liabilities	-	657	-	-	-	-	-	-	-	-	657

Analysis of non-derivative financial assets by remaining contractual maturities

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

As at 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	1,515,700	-	-	-	-	-	-	-	-	-	1,515,700
Trade receivables	-	-	-	16,569	-	-	-	-	-	-	16,569
Other financial assets	-	1,006,448	-	3,084	-	-	-	-	-	-	1,009,532
Total	1,515,700	1,006,448	-	19,653	-	-	-	-	-	-	2,541,801

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	506,601	-	-	-	-	-	-	-	-	-	506,601
Other financial assets	-	-	-	-	2,132	-	-	-	-	-	2,132
Total	506,601	-	-	-	2,132	-	-	-	-	-	508,733



2.32 Details of Ratio

Particular	As at / For the year ended March 31, 2022	As at / For the period February 12, 2021 to March 31, 2021
Current ratio (refer note 1)	127%	16840%
Return on Equity ratio (refer note 2)	4%	(3%)
Return on Capital Employed (refer note 3)	4%	(3%)

Note

1. Current ratio = Current assets / Current liabilities

2. Return on Equity ratio = Net profit after tax - preference dividend / Average shareholder's equity

3. Return on Capital Employed = Earnings before interest and taxes / Capital Employed = Tangible network (Net-worth - intangible assets) + Total Debt + Deferred Tax Liability

4. Debt equity ratio, Debt Service Coverage ratio, Interest Service Coverage ratios and Total Debts/ Total Assets and

Return on Investment are nil since there is no debt and investment during the current year and previous year.

5. Inventory turnover ratio, Trade receivable ratio, Trade payable turnover, Net capital turnover and Net profit ratio are not applicable owing to the business model of the company.

6. The Company presents its previous financial statements which cover a period from the date of incorporation i.e. February 12, 2021 till the balance sheet date March 31, 2021 and hence ratios are not comparable.

2.33 Foreign currency

The Company has undertaken the following transactions in foreign currency during the year / period.

Particulars	For the year ended March 31, 2022	For the period from February 12, 2021 to March 31, 2021
Expenditure incurred in foreign currency (on accrual basis)		
Professional fees	252	-
Software Maintenance Expenses	1,090	-
Sponsorship expenses	409	-
Total	1,751	-
Income earned in foreign currency (on accrual basis)		
Custody fee income	18,428	-
	18,428	-

2.34 Fair values of financial instruments

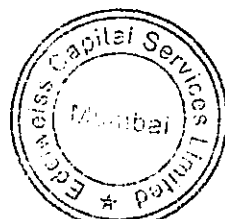
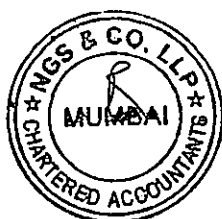
There are no instruments under fair value hierarchy at each reporting date and hence, no disclosure is required.

2.35 Market risk

There is no equity or other price risk at each reporting date and hence, no disclosure is required.

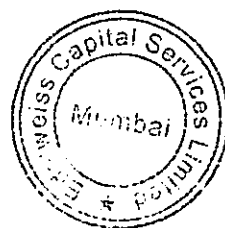
2.36 Financial Instruments Not measured at Fair value

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



(Currency : Indian rupees in thousands)

- 2.37** The Company had entered into an agreement dated March 17, 2021 with Edelweiss Custodial Services Limited ('ECDSL'), an associate entity, to purchase the business of being a custodian of securities and designated depository participant, and securities lending and borrowing ('Transfer business') from ECDSL, for a consideration as defined in the agreement. The net worth of the said Transfer business as at March 31, 2021, was ₹ 101,308 thousands. As per the slump sale agreement the business has been transferred as at June 18, 2021.
- 2.38 COVID 19**
- The outbreak of COVID - 19 pandemic has affected several countries across the world, including India. The Government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors. Further, while the COVID-19 vaccination efforts have gained momentum, uncertainty due to the resurgence of COVID cases across many parts of India is rising. The extent to which COVID-19 pandemic will impact the Company, if any, depends on future spread of the virus and related developments, which are uncertain at this point of time. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company. The Company's management has view that there is no material impact of the pandemic on its operations and its assets as at March 31, 2022.
- 2.39** The Indian Parliament has approved the Code on Social Security, 2020 which subsumes the Provident Fund and the Gratuity Act and rules there under. The Ministry of Labour and Employment has also released draft rules thereunder on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.
- 2.40** Edelweiss Financial Services Limited, being the Holding Company along with fellow subsidiaries and associates incurs expenditure like employee costs, business promotion, communication expenses, Group Medclaim, insurance, rent etc. which is for the common benefit of itself and its subsidiaries including the Company. These costs expended are reimbursed by the Company on the basis of number of employees, actual identifications etc. On the same lines, branch running costs expended (if any) by the Company for the benefit of fellow subsidiaries and associate are recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.26 and 2.29 include reimbursements paid and are net of reimbursements received based on the management's best estimate.
- 2.41 Others disclosure**
- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
 - (ii) The Company do not have any transactions with companies struck off.
 - (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period
 - (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
 - (v) The Company have 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:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (vi) The Company have 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:
 - a. 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
 - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
 - (vii) 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



Edelweiss Capital Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

2.42 Corporate Social Responsibility (CSR)

CSR provisions are not applicable for current year and previous year as the turnover, Net Worth are below the prescribed limits of 1000 Crs & 500 Crs each. Also, the Company has profits less than 5 crore.

2.43 Rounded off

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

2.44 Prior period comparative

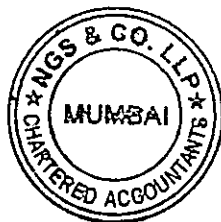
The Company presents its previous financial statements which cover a period from the date of incorporation i.e. February 12, 2021 till the balance sheet date March 31, 2021 and hence not comparable.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration Number: 119850W



R.P. Soni

Partner

Membership No: 104796

Mumbai

May 17, 2022

For and on behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Atul Badkar".

Atul Badkar

Managing Director & CEO

DIN : 08063582

A handwritten signature in black ink, appearing to read "Mahadev Gole".

Mahadev Gole

Chief Financial Officer

Mumbai

May 17, 2022

A handwritten signature in black ink, appearing to read "Shiv Sehgal".

Shiv Sehgal

Director

DIN : 07112524

A handwritten signature in black ink, appearing to read "Dipankar Basu".

Dipankar Basu

Company Secretary

