

Edelweiss Custodial Services Limited

Corporate Identity Number: U51109MH2008PLC187594

Financial Statements for the year ended March 31, 2022

Edelweiss Custodial Services Limited

Financial Statements for the year ended March 31, 2022

Board of Directors

Mr. Udit Surekha	- Executive Director
Mr. Shiv Sehgal	- Non-Executive Director
Mr. Nikhil Johari	- Non-Executive Director
Ms. Kamala Kantharaj	- Non-Executive Director

Chief Financial Officer

Mr. Sandesh Sawant

Statutory Auditors

M/s. S. R. Batliboi & Co. LLP, Chartered Accountants

Registered Office

Tower 3, Wing 'B', Kohinoor City Mall,
Kohinoor City, Kirol Road, Kurla (West),
Mumbai – 400070

Corporate Identity No.:

U51109MH2008PLC187594

Tel: +91 22 4272 2200

Email: EWM.Secretarial@edelweissfin.com

Registrar and Share Transfer Agent

Link Intime India Private Limited
C 101, 247 Park, Lal Bahadur Shastri Marg,
Chandan Nagar, Vikhroli West -400 083

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Custodial Services Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Edelweiss Custodial Services Limited Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Other Information

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

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

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

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the



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

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

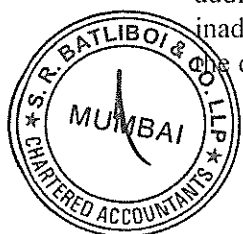
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

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



cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

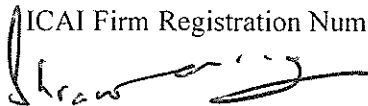
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid 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 with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



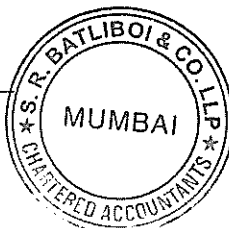
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. 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 that, to the best of its knowledge and belief, as mentioned in note 2.51(iv), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as mentioned in note 2.51(v), no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



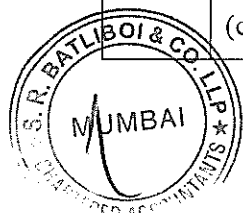
per **Shrawan Jalan**
Partner
Membership Number: 102102
UDIN: 22102102AJIHB7708
Place of Signature: Mumbai
Date: May 20, 2022



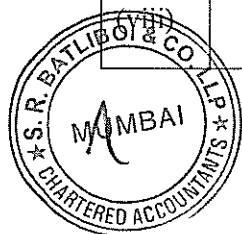
Annexure 1 referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date**Re: Edelweiss Custodial Services Limited (“the Company”)**

The information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

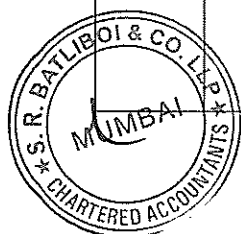
(i)	(a) (A)	The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
	(a) (B)	The Company has maintained proper records showing full particulars of intangible assets.
	(b)	The Company has a regular programme of physical verification of its property, plant and equipment and are verified by the management according to a phased programme designed to cover all the items over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified certain property, plant and equipment during the year and no discrepancies were noticed in respect of assets verified during the year.
	(c)	The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
	(d)	The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
	(e)	There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
(ii)	(a)	The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
	(b)	The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
(iii)	(a)	During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
	(b)	During the year the investments made, guarantees provided and the terms and conditions of guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.
	(c)	The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly,



		the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
	(d)	The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
	(e)	There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
	(f)	The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
(iv)		The Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. The Company has made investments/ given loans /guarantees/ provided security which is in compliance to the provisions of section 186 of the Companies Act 2013.
(v)		The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
(vi)		The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
(vii)	(a)	Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been delay of one day in depositing of provident fund dues in one month. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As informed, the provisions of sales tax, wealth tax, value added tax, excise duty and customs duty are currently not applicable to the Company.
	(b)	According to the information and explanations given to us and audit procedures performed, there are no dues of income tax, provident fund, Goods and service tax and cess which have not been deposited on account of any dispute. As explained to us, the Company did not have any dues on account of employees' state insurance, sales-tax, value added tax duty of custom and duty of excise. The provisions relating to employees' state insurance, sales-tax, service tax, duty of custom, duty of excise and value added tax, are not applicable to the Company.
		The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax



		Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
(ix)	(a)	The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
	(b)	The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
	(c)	The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
	(d)	On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
	(e)	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)	No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
	(b)	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 clause 3(xii) of the Order is not applicable to the Company.
(xiii)		According to the information and explanations given by the management and audit procedures performed, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

(xiv)	(a)	The Company has an internal audit system commensurate with the size and nature of its business.
	(b)	The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
(xv)		The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
(xvi)	(a)	The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
	(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)	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)	The Group has total one Core Investment Company as part of the Group.
(xvii)		The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.
(xviii)		There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
(xix)		On the basis of the financial ratios disclosed in note 2.49 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.



S.R. BATLIBOI & Co. LLP

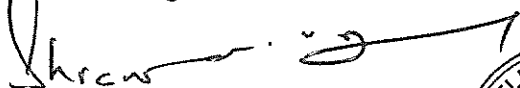
Chartered Accountants

(xx)	(a)	There are no unspent amounts 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 2.45 to the financial statements.
	(b)	There are no unspent amounts 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 2.45 to the financial statements.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

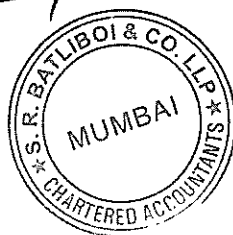


per Shrawan Jalan

Partner

Membership Number: 102102

UDIN: 22102102AJHBU7708



Place of Signature: Mumbai

Date: May 20, 2022

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE Ind AS FINANCIAL STATEMENTS OF EDELWEISS CUSTODIAL SERVICES LIMITED

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

We have audited the internal financial controls with reference to Ind AS financial statements of Edelweiss Custodial Services Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls With Reference to these Ind As Financial Statements

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



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

Inherent Limitations of Internal Financial Controls With Reference to Ind AS Financial Statements

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

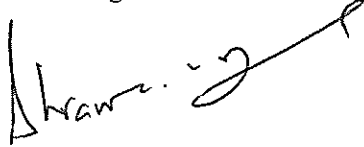
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**

Partner

Membership Number: 102102

UDIN: 22102102AJHBU7708

Place of Signature: Mumbai

Date: May 20, 2022



Edelweiss Custodial Services Limited

Balance Sheet

(Currency : Indian rupees in millions)

	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non current assets			
(a) Investment property	2.1	155.10	-
(b) Property, plant and equipment	2.2	539.03	5.33
(c) Capital work in progress	2.3	-	0.01
(d) Intangible assets under development	2.4	-	1.12
(e) Other intangible assets	2.5	11.70	17.74
(f) Financial assets			
(i) Investments	2.6	240.77	-
(ii) Other financial assets	2.7	191.75	2,318.15
(g) Current tax assets (net)	2.8	50.69	5.69
(h) Deferred tax assets (net)	2.9	9.35	20.71
		1,198.39	2,368.75
Current assets			
(a) Financial assets			
(i) Stock in trade		380.03	-
(ii) Trade receivables	2.10	4,685.31	1,004.07
(iii) Cash and cash equivalents	2.11	5,013.28	1,059.11
(iv) Bank balances other than cash and cash equivalents	2.12	30,559.04	37,046.70
(v) Other financial assets	2.13	107.06	151.45
(b) Other current assets	2.14	94.52	38.40
Assets held for sale		-	101.31
		40,839.24	39,401.04
Total assets		42,037.63	41,769.79
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	2.15	62.68	62.68
(b) Other equity	2.16	2,891.56	2,258.79
		2,954.24	2,321.47
Non current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	2.17	112.16	-
(b) Provision	2.18	20.17	19.02
		132.33	19.02
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	2.19	225.78	90.14
(ii) Other financial liabilities	2.20	38,645.98	39,130.54
(b) Other current liabilities	2.21	46.67	100.84
(c) Provisions	2.22	5.59	6.20
(d) Current tax liabilities (net)	2.23	27.04	101.58
		38,951.06	39,429.30
Total equity and liabilities		42,037.63	41,769.79

The accompanying notes are an integral part of the financial statements

1 & 2

As per our report of even date attached

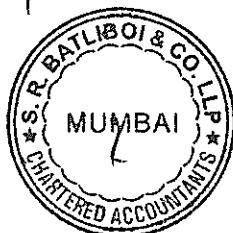
For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No.301003E/E300005

Shrawan

Shrawan Jalan
Partner
Membership No:102102



Mumbai
May 20, 2022

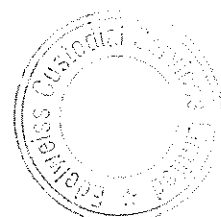
For and on behalf of the Board of Directors

Udit Sureka
Executive Director
DIN : 02190342

Shiv Sehgal
Director
DIN : 07112524

Sandesh Sawant
Chief Financial Officer

Mumbai
May 20, 2022



Edelweiss Custodial Services Limited

Statement of Profit and Loss

(Currency : Indian rupees in millions)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations			
Fee and commission income	2.24	130.53	81.21
Interest income	2.25	2,297.70	2,286.02
Rental income	2.26	203.29	1.20
Net gain on fair value changes	2.27	117.46	-
Total Revenue from operations		2,748.98	2,368.43
Other income	2.28	27.40	29.69
Total Revenue		2,776.38	2,398.12
Expenses			
Employee benefits expense	2.29	296.47	246.07
Finance costs	2.30	822.10	548.30
Depreciation, amortisation and impairment	2.1, 2.2 & 2.5	148.28	44.34
Other expenses	2.31	693.61	258.34
Total expenses		1,960.46	1,097.05
Profit before tax		815.92	1,301.07
Tax expenses: (refer note 2.32)			
Current tax		176.18	331.17
Deferred tax		11.73	(4.86)
Profit for the year from continuing operations		628.01	974.76
Profit from discontinued operations (refer note 2.48)		3.48	104.50
Tax expense of discontinued operations		0.88	26.30
Profit from discontinued operations (after tax)		2.60	78.20
Profit for the year		630.61	1,052.96
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain / (loss) on defined benefit plans - gratuity (OCI)		(1.48)	(0.77)
Less: Income tax relating to items that will not be reclassified to profit or loss		(0.37)	(0.20)
Total		(1.11)	(0.57)
Total Comprehensive Income		629.50	1,052.39
Earnings per equity share (Face value of ₹ 10 each):			
Basic and Diluted (INR)		100.20	155.53
Earnings per equity share (for discontinued operation:) (Face value of ₹ 10 each):			
Basic and Diluted (INR)		0.42	12.48
Earnings per equity share (for discontinued and continuing operation:) (Face value of ₹ 10 each):			
Basic and Diluted (INR)	2.35	100.62	168.00

The accompanying notes are an integral part of the financial statements

1 & 2

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

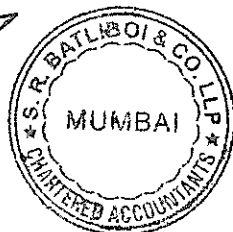
ICAI Firm Registration No.301003E/E300005

Shrawan Jalan

Shrawan Jalan

Partner

Membership No:102102



For and on behalf of the Board of Directors

Udit Sureka
Udit Sureka
Executive Director
DIN : 02190342

Shiv Sehgal
Shiv Sehgal
Director
DIN : 07112524

Sandesh Sawant
Sandesh Sawant
Chief Financial Officer

Mumbai
May 20, 2022

Mumbai
May 20, 2022

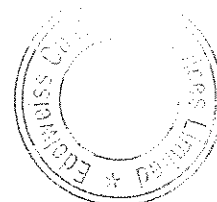


Edelweiss Custodial Services Limited

Cash Flow Statement for the year ended March 31, 2022

(Currency : Indian rupees in millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
A Cash flow from operating activities		
Profit before taxation from continuing operations	816.15	1,301.04
Profit before taxation from discontinued operations	3.48	104.51
Profit before taxation	819.63	1,405.55
Adjustments for		
Depreciation	148.28	44.34
Impairment of financial instruments	(23.33)	7.27
(Profit)/loss on sale of fixed assets	(0.01)	9.38
ESOP cost cancellation	3.25	-
Interest expense	51.55	14.53
Profit on termination of lease	-	(9.82)
Operating cash flow before working capital changes	999.37	1,471.25
Add / (Less): Adjustments for working capital changes		
Increase / (decrease) in trade receivables	(3,657.92)	1,981.12
Decrease / (increase) in other bank balances	6,487.66	(17,750.42)
Increase in stock-in-trade	(380.03)	-
Decrease / (increase) in other financial assets	2,235.99	(1,942.10)
(Increase) / decrease in other non financial assets	(56.13)	4.34
(Decrease) / increase in liabilities and provisions	(861.74)	14,238.55
Cash generated from / (used in) operations	4,767.20	(1,996.26)
Income taxes paid	(296.58)	(373.86)
Net cash generated from / (used in) operating activities - A	4,470.62	(2,371.12)
B Cash flow from investing activities		
Purchase of fixed assets (Refer note 4)	(165.05)	(20.71)
Sale of fixed assets	39.90	50.28
Sale of non current investment	-	628.94
Purchase of investment	(240.77)	-
Net cash (used in) / generated from investing activities - B	(365.92)	658.51
C Cash flow from financing activities		
Repayment of unsecured loan (refer note 1)	-	(1,160.93)
Principal repayment of leases (Ind AS 116)	(150.33)	(8.14)
Dividend paid to shareholders	-	(999.67)
Interest paid	-	(14.53)
Net cash used in financing activities - C	(150.33)	(2,183.27)
Net increase increase / (decrease) in cash and cash equivalents (A+B+C)	3,954.37	(3,895.88)
Cash and cash equivalent as at the beginning of the year	1,059.11	4,954.99
Cash and cash equivalent as at the end of the year	5,013.28	1,059.11



Edelweiss Custodial Services Limited

Cash Flow Statement for the year ended March 31, 2022

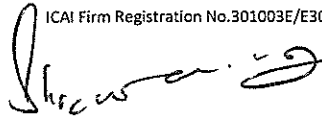
(Currency : Indian rupees in millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Notes:		
1 Net figures have been reported on account of volume of transactions.		
2 Component of cash and cash equivalents		
Cash and Cash equivalents		
Balances with banks		
in current accounts	5,013.28	1,059.11
	5,013.28	1,059.11
3 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.		
4 Purchase of tangible and intangible assets includes movement of Capital Work-in-progress and capital expenditure during the year.		

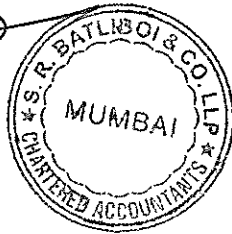
5 Particulars	March 31, 2022	March 31, 2021
Net cash inflow / (outflow) from operating activities (discontinued operations)	36.10	(15.57)
Net cash outflow from investing activities (discontinued operations)	(32.63)	(15.75)

As per our report of even date attached

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



Shrawan Jalan
Partner
Membership No:102102



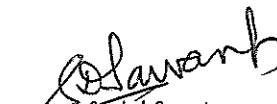
For and on behalf of the Board of Directors



Udit Sureka
Executive Director
DIN : 02190342



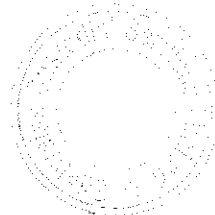
Shiv Sehgal
Director
DIN : 07112524



Sandesh Sawant
Chief Financial Officer

Mumbai
May 20, 2022

Mumbai
May 20, 2022



Edelweiss Custodial Services Limited

Statement of changes in Equity

(Currency : Indian rupees)

A. Equity share capital

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at the beginning of the year	62.68	62.68
Issue of shares during the year	-	-
Balance at the end of the year	62.68	62.68

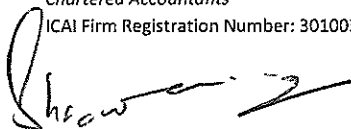
B. Other Equity

	Reserves and Surplus			
	Securities Premium Account	Deemed capital contribution - ESOP	Retained earnings	Total
Balance as at March 31, 2020	652.10	8.92	1,545.05	2,206.07
Profit or loss	-	-	1,052.96	1,052.96
Other comprehensive income	-	-	(0.57)	(0.57)
Total Comprehensive Income	-	-	1,052.39	1,052.39
Dividend to shareholders	-	-	999.67	999.67
Balance as at March 31, 2021	652.10	8.92	1,597.77	2,258.79
Adjustment of share based payments on lapsed /cancelled	-	-	3.25	3.25
Profit or loss	-	-	630.61	630.61
Other comprehensive income	-	-	(1.11)	(1.11)
Total Comprehensive Income	-	-	632.75	632.75
Balance as at March 31, 2022	652.10	8.92	2,230.52	2,891.54

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



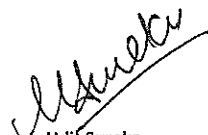
Shrawan Jalan

Partner

Membership No:102102



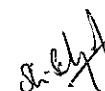
For and on behalf of the Board of Directors



Udit Sureka

Executive Director

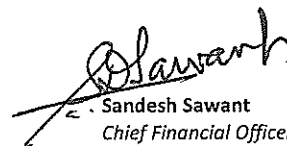
DIN : 02190342



Shiv Sehgal

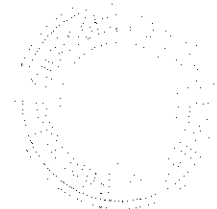
Director

DIN : 07112524



Sandesh Sawant

Chief Financial Officer



Mumbai
May 20, 2022

Mumbai
May 20, 2022

Edelweiss Custodial Services Limited

Notes to the financial statements

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1. Significant accounting policies

1.1 Company background:

Edelweiss Custodial Services Limited ('the Company') was incorporated on 16 October 2008. The registered office of the company is located at Tower 3, Wing B, Kohinoor City Mall, Kohinoor City, Kiroli Road, Kurla (West), Mumbai- 400070.

PAGAC Ecstasy Pte. Limited is the Ultimate Holding company.

The Company is a Professional Clearing Member (PCM) of National Securities Clearing Corporation Limited (NSCCL) and Indian Clearing Corporation Limited (ICCL). The Company is also a SEBI registered custodian of securities who settles trades of clients and maintains a record of client holdings and monitors receipt of corporate action benefits to eligible clients. Other services provided include fund accounting services. (Refer note 2.48 for discontinued operations of Custody business.) Company invests in fixed deposits & other highly liquid callable instruments as part of its treasury activities.

1.2 Basis of preparation and presentation of financial statements:

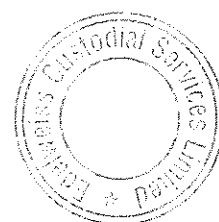
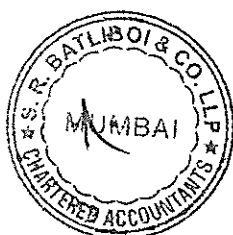
The financial statements have been prepared in accordance with Indian Accounting Standards (referred hereinafter as 'Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies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

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

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months.

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

1. The normal course of business
2. The event of default
3. The event of insolvency or bankruptcy of the Company and/or its counterparties



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.2 Basis of preparation and presentation of financial statements (*Continued*):

The Company classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale and the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or disposal group to be highly probable when:

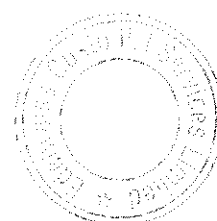
- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale.

Assets classified as held for sale are presented separately from other items in the balance sheet.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.2 Basis of preparation and presentation of financial statements (*Continued*):

Or

- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in Note 2.48. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

1.3 Use of estimates

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

1.4 Revenue recognition:

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

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

Revenue recognition for different heads of Income are as under:

- Fee income includes fees for clearing services, custody fees & fund accounting. The right to receive the clearing fees arises when the trade is executed and a valid contract is generated for the trade. All types of fee income is accounted for, on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.
- Interest income is recognised on accrual basis of accounting.
- Profit / loss earned on sale of investment is recognised on trade date basis. Profit / loss on sale of investments is determined based on the weighted average cost of the investments sold.
- Dividend income is recognised when the right to receive payment is established.
- Trade exposure charges are recognised on accrual basis.



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.5 Financial instruments:

Date of recognition

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

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.

Day 1 profit or loss

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

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)

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in carrying value of financial assets is recognised in profit and loss account.

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

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The changes in fair value of financial assets is recognised in Other Comprehensive Income.



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.5 Financial Instruments (*Continued*)

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

A financial asset which is not classified in any of the above categories are measured at FVTPL. The Company measures all financial assets classified as FVTPL at fair value at each reporting ate. The changes in fair value of financial assets is recognised in Profit and loss account.

Amortized cost and effective interest rate (EIR)

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

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

For purchased or originated credit impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

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

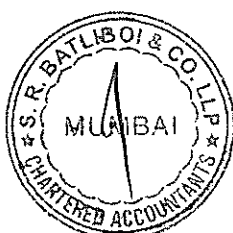
Financial assets held for trading

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

Financial assets at fair value through profit or loss

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.5 Financial Instruments (*Continued*)

Financial assets at fair value through profit or loss (*Continued*)

- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

Disclosure requirement of Ind AS 107-Financial Instruments:

Investment in equity instruments

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

Financial liabilities

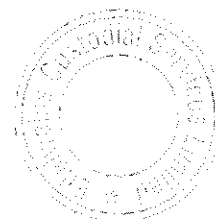
All financial liabilities are measured at amortised cost except loan commitments, financial guarantees, and derivative financial liabilities.

Financial liabilities and equity instruments

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

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.5 Financial Instruments (*Continued*)

Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. The company didn't reclassify any of its financial assets or liabilities in current period and previous period.

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 has transferred the financial asset if, and only if, either

- The Company has transferred 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 assumed a contractual obligation to pay the cash flows in full without material delay to third party under pass through arrangement.

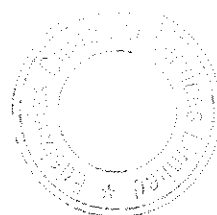
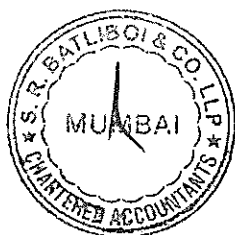
Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following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

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

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

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.5 Financial Instruments (*Continued*)

Derecognition of financial asset (*Continued*)

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

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

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. The newly recognised financial assets are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be POCI.

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

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 loans, other debt financial assets measured at amortised cost together with undrawn loan commitment and financial guarantee contracts, in this section all referred to as "Financial instrument". Equity instruments are not subject to impairment.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables and is adjusted for forward-looking estimates. For the receivables which are highly illiquid in nature, the Company may choose to disclose them as Stage III assets considering the liquidity risk around it.



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.5 Financial Instruments (*Continued*)

Business model assessment

Classification and measurement of financial assets depends on the results of the 'Solely Payments of Principal and Interest' (SPPI) criterion and the business model test. The Company determines the business model at a level that reflects how group of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the

assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.

Fair value of financial instruments

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

regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

Write-offs

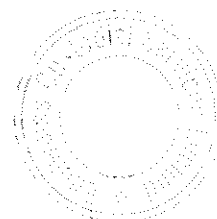
Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

Determination of fair value

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

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.5 Financial Instruments (*Continued*)

Determination of fair value

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

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments:

Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments:

Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

Level 3 financial instruments:

Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.6 Leases:

As a lessee:

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

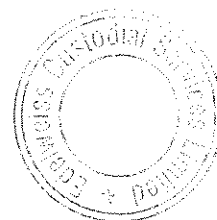
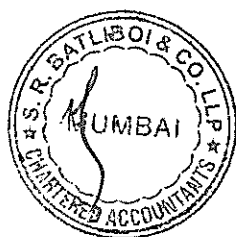
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases,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

Right of use assets:

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

Lease Liabilities:

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



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.7 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.

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 in 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.

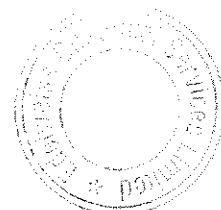
As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the estimated useful lives of the respective fixed assets which are as per the provisions of Part C of Schedule II of the Act for calculating the depreciation.

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.



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.7 Property, plant and equipment (*Continued*):

Intangible fixed assets (*Continued*):

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.

Impairment of non-financial assets

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

1.8 Investment properties

Investment Properties are properties held to earn rentals and/or capital appreciation and are measured and reported at cost, including transaction costs.

Depreciation is recognised using Written Down method so as to write off the cost of the investment property less their residual values over their useful lives specified in schedule II to the Companies Act, 2013 or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future benefits embodied in the investment property. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property is recognised in the Statement of Profit and Loss in the same period.

1.9 Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at Banks, on hand and short-term deposits with original maturities of three months or less, which are subject to an insignificant risk of changes in value.



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.10 Foreign currency transactions:

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

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

1.11 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.

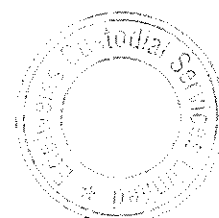
The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. Such benefit is discounted 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.



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.12 Share-based payment arrangements:

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

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

1.13 Income tax expenses:

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

Current tax

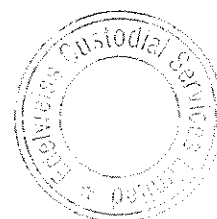
The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's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

Deferred tax

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

Deferred tax assets are also recognised with respect to 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:



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.13 Income tax expenses: (*Continued*)

Deferred tax (*Continued*)

- 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.

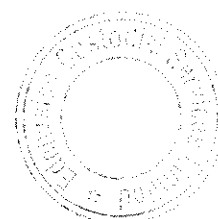
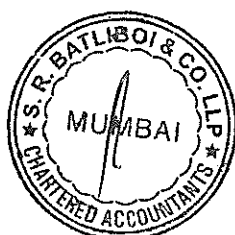
1.14 Good and service tax expenses:

The entity avails Input Tax credit ('ITC') of GST paid on various expenses incurred. Based on the ratio of exempted turnover v/s taxable turnover of the entity, GST Input Tax credit is being expensed off on a monthly basis to GST Expense a/c. Further, ITC on ineligible expenses (on which ITC is restricted under GST law) is also debited to GST Expense.

1.15 Earnings per share:

The Company reports basic and diluted earnings per share in accordance with Ind-AS 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.



Edelweiss Custodial Services Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Currency : Indian rupees in million)

1.16 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.

1.17 Significant accounting judgements, estimates and assumptions:

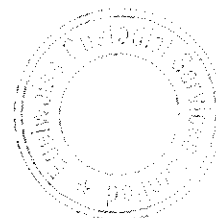
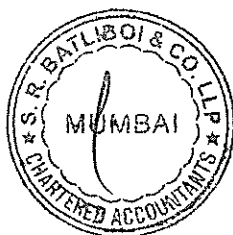
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about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

Judgements

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

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

1.18 Standards issued but not yet effective: There are no new standards or amendments issued but not yet effective.



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.1 Investment property

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 1, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	Charge for the year	Disposals during the year	As at March 31, 2022
Real estate	-	158.53	-	158.53	3.43	-	155.10
Total	-	158.53	-	158.53	3.43	-	155.10

The Company has acquired possession of residential property in satisfaction of the debts and intends to dispose them in due course, subject to conducive market conditions. The said property has been valued taking into consideration various factors such as location, facilities & amenities, quality of construction, residual life of building, supply & demand, local nearby enquiry, market feedback of investigation and ready rechner rate published by local authorities. These valuations have been performed by external independent valuer, having appropriate recognised professional qualification and experience in the location and category of property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged at an arm's length transaction.

2.2 Property, Plant and Equipment

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 1, 2021	Additions during the year	Disposals during the year	As at March 31, 2022	Charge for the year	Disposals during the year	As at March 31, 2022
Leasehold improvements	-	0.94	-	0.94	0.12	-	0.82
Furniture and Fixtures	1.31	-	-	1.31	0.51	-	0.80
Office equipment	1.41	0.02	0.18	1.25	0.97	0.12	1.03
Computers *	13.61	0.81	8.28	12.96	9.68	6.25	10.54
Vehicle	0.50	-	0.50	-	0.34	0.39	-
Right of use	-	668.62	-	668.62	133.65	-	534.97
Total	16.83	670.39	8.96	685.08	11.50	6.76	539.03

* includes assets held for sale

Description of Assets	Gross Block			Accumulated Depreciation and Impairment			Net Block
	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	Charge for the year	Disposals during the year	As at March 31, 2021
Leasehold improvements	16.21	-	16.21	-	3.86	1.62	-
Furniture and Fixtures	3.85	-	2.54	1.31	0.73	0.52	0.51
Office equipment	3.53	(0.02)	2.10	1.41	1.31	0.66	0.97
Computers *	20.09	3.65	3.31	13.61	12.25	4.84	9.68
Vehicle	0.50	-	-	0.50	0.04	0.30	0.34
Right of use	102.18	-	102.18	-	20.14	8.44	-
Total	146.36	3.63	126.34	16.83	38.33	16.38	11.50



Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.3

Capital work in progress

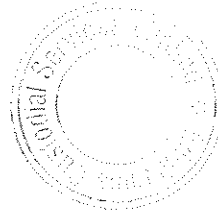
Particulars	As at March 31, 2022				As at March 31, 2021				Total	
	Amount in capital work in progress for a period of			Total	Amount in capital work in progress for a period of					
	Less than 1 year	1-2 years	2-3 years		More than 3 years	Less than 1 year	1-2 years	2-3 years		More than 3 years
Leasehold - branch	-	-	-	-	-	0.01	-	-	-	0.01
Total	-	-	-	-	-	0.01	-	-	-	0.01

Particulars	As at March 31, 2022				As at March 31, 2021			
	Amount in intangible assets under development for a period of				Amount in intangible assets under development for a period of			
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Less than 1 year	1-2 years	2-3 years	More than 3 years
Exponentia Phase 2	-	-	-	-	-	-	-	-
Total	-	-	-	-	1.12	1.12	-	1.12

2.5

Other Intangible Assets										
Gross Block					Accumulated Amortisation and Impairment				Net Block	
Description of Assets	As at April 1, 2021	Additions during the year	Disposals during the year	Assets included in a disposal group classified as held for sale	As at March 31, 2022	As at April 1, 2021	Charge for the year	Disposals during the year	Assets included in a disposal group classified as held for sale	As at March 31, 2022
Software *	32.12	5.90	81.55	(82.50)	38.96	14.38	8.58	43.88	(48.18)	27.26
Total	32.12	5.90	81.55	(82.50)	38.96	14.38	8.58	43.88	(48.18)	11.70
Gross Block					Accumulated Amortisation and Impairment				Net Block	
Description of Assets	As at April 1, 2020	Additions during the year	Disposals during the year	Assets included in a disposal group classified as held for sale	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	Assets included in a disposal group classified as held for sale	As at March 31, 2021
Software *	67.54	47.08	-	82.50	32.12	34.60	27.96	-	48.18	14.38
Total	67.54	47.08	-	82.50	32.12	34.60	27.96	-	48.18	17.74

- Includes assets held for sale



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

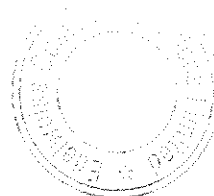
	As at March 31, 2022			As at March 31, 2021		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.6 Investments						
Others (unquoted)						
7% Cumulative Non-Convertible Redeemable Preference Shares (refer note 2.37)	10.00	23,500,000	240.77	-	-	-
Total			240.77			-

2.6A Investments

As at March 31, 2022

Particular	At amortised cost	Total
7% Cumulative Non-Convertible Redeemable Preference Shares	240.77	240.77
TOTAL - Gross (A)	240.77	240.77
(i) Investments outside India	-	-
(ii) Investment in India	240.77	240.77
Total (B)	240.77	240.77
Less: Allowance for impairment (C)	-	-
Total Net (A-C)	240.77	240.77

There were no investment as at March 31, 2021 is Nil



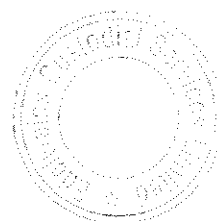
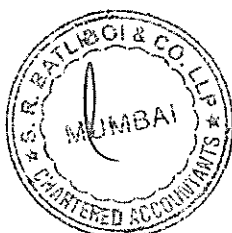
Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at March 31, 2021
2.7 Other financial assets - non-current		
Deposits placed with exchange	41.40	2,316.88
Security deposits	148.87	-
Other deposits	1.48	1.27
	<u>191.75</u>	<u>2,318.15</u>
2.8 Current tax assets (net)		
Advance income taxes - non-current (net of provision for tax ₹ Nil, March 31, 2021 ₹ Nil)	50.69	5.69
	<u>50.69</u>	<u>5.69</u>
2.9 Deferred tax assets (net)		
Deferred tax assets		
<u>Receivable</u>		
ECL provision on trade and other receivables	2.15	8.02
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation	3.93	6.35
<u>Employee benefit obligations</u>		
Disallowances under section 43B of the Income Tax Act, 1961	6.48	6.34
Others	8.78	-
Sub total A	<u>21.34</u>	<u>20.71</u>
Deferred tax liabilities		
<u>Investments and other financial instruments</u>		
Fair valuation of investments and stock-in-trade	11.99	-
Sub total B	<u>11.99</u>	<u>-</u>
Total (A - B)	<u>9.35</u>	<u>20.71</u>
2.10 Trade receivables		
Secured, considered good *	4,663.95	955.90
Unsecured, considered good	21.36	48.17
Trade receivable - credit impaired	2.02	25.34
Total (I)	<u>4,687.33</u>	<u>1,029.41</u>
Less : Impairment allowance (provision for expected credit loss)		
Trade receivable - credit impaired	2.02	25.34
Total (II)	<u>2.02</u>	<u>25.34</u>
Total (I - II)	<u>4,685.31</u>	<u>1,004.07</u>
Other receivables		
Other receivable - credit impaired	6.53	6.53
Less : Impairment allowance (provision for expected credit loss)	6.53	6.53
	<u>-</u>	<u>-</u>
	<u>4,685.31</u>	<u>1,004.07</u>

* Secured by securities, fixed deposits and bank guarantees



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

2.10 Trade receivables (Continued)

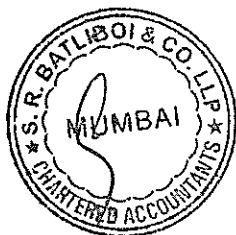
Reconciliation of impairment allowance on trade and lease receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
Impairment allowance as on March 31, 2020	24.80
Add/ (less): asset originated or acquired (net)	7.07
Impairment allowance as on March 31, 2021	31.87
Add/ (less): asset originated or acquired (net)	(23.32)
Impairment allowance as on March 31, 2022	8.55

Trade Receivables aging schedule

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2022						
Gross receivables						
(i) Undisputed Trade receivables – considered good	4,685.21	0.10	-	-	-	4,685.31
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	0.51	0.17	0.05	-	7.82	8.55
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total Gross receivables (A)	4,685.72	0.27	0.05	-	7.82	4,693.86
ECL provision on receivables						
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	0.51	0.17	0.05	-	7.82	8.55
(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)	0.51	0.17	0.05	-	7.82	8.55
Total receivables net of provision (A - B)	4,685.21	0.10	-	-	-	4,685.31

Particulars	Outstanding for following periods from date of transaction					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2021						
Gross receivables						
(i) Undisputed Trade receivables – considered good	89.71	1.31	-	-	0.83	90.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	1.11	0.62	1.88	0.01	6.53	10.15
(iv) Disputed Trade Receivables–considered good	0.01	556.69	356.52	-	-	913.22
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	21.72	-	-	21.72
Total Gross receivables (A)	89.83	558.62	380.12	0.01	7.36	1,035.94
ECL provision on receivables						
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	1.11	0.62	1.88	0.01	6.53	10.15
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	21.72	-	-	21.72
Total ECL provision on receivables (B)	1.11	0.62	23.60	0.01	6.53	31.87
Total receivables net of provision (A - B)	88.72	558.00	356.52	-	0.83	1,004.07

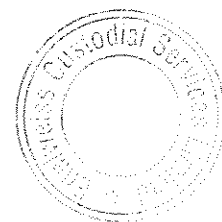
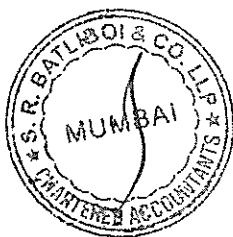


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at March 31, 2021
2.11 Cash and cash equivalents		
Balances with banks		
- in current accounts	5,013.28	1,059.11
	<u>5,013.28</u>	<u>1,059.11</u>
2.12 Bank balances other than cash and cash equivalents		
Fixed Deposits with Banks	737.34	649.20
Fixed deposits with banks to the extent held as margin money or guarantees or lien for bank overdraft (refer below note 2.12A)	29,821.70	36,397.50
	<u>30,559.04</u>	<u>37,046.70</u>
2.12A Encumbrances on fixed deposits held by the Company		
i) Pledged with exchanges for meeting margin requirements	26,348.68	34,852.16
ii) Pledged with banks for obtaining bank guarantees as per sanction terms	3,438.12	1,545.34
iii) Pledged with banks for obtaining bank overdraft	34.90	-
Total	<u>29,821.70</u>	<u>36,397.50</u>
2.13 Other financial assets -current		
Deposits placed with exchange	12.10	22.10
Receivable from exchange /clearing house (net)	92.82	123.42
Advances recoverable in cash or in kind or for value to be received	2.14	5.93
	<u>107.06</u>	<u>151.45</u>
2.14 Other non-financial assets		
Input tax credit	25.71	1.21
Other deposits	0.05	0.25
Prepaid expenses	62.21	35.48
Vendor Advances	6.11	0.95
Advances recoverable in cash or in kind or for value to be received	0.43	0.51
Advances to employees	0.01	-
	<u>94.52</u>	<u>38.40</u>



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at March 31, 2021
2.15 Equity share capital		
Authorised :		
10,000,000 (Previous year: 10,000,000) Equity Shares of Re.10 each	100.00	100.00
	<u>100.00</u>	<u>100.00</u>
Issued, Subscribed and Paid up:		
6,267,500 (Previous year: 6,267,500) equity shares of Re.10 each, fully paid-up	62.68	62.68
	<u>62.68</u>	<u>62.68</u>

a. Movement in share capital :

	31 March 2022		March 31, 2021	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	6,267,500	62.68	6,267,500	62.68
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>6,267,500</u>	<u>62.68</u>	<u>6,267,500</u>	<u>62.68</u>

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

	31 March 2022			March 31, 2021		
	No of shares	Amount	%	No of shares	Amount	%
Edelweiss Securities Limited, the holding company	6,267,500	62.68	100%	6,267,500	62.68	100%
	<u>6,267,500</u>	<u>62.68</u>	<u>100%</u>	<u>6,267,500</u>	<u>62.68</u>	<u>100%</u>

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

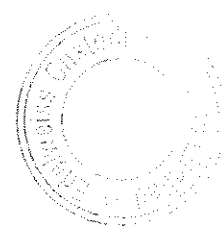
	31 March 2022		March 31, 2021	
	No of shares	%	No of shares	%
Edelweiss Securities Limited, the holding company	6,267,500	100%	6,267,500	100%
	<u>6,267,500</u>	<u>100%</u>	<u>6,267,500</u>	<u>100%</u>

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

	31 March 2022			March 31, 2021		
Promoter name	No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
Edelweiss Securities Limited	6,267,500	100%	-	6,267,500	100%	-
	<u>6,267,500</u>	<u>100%</u>	<u>-</u>	<u>6,267,500</u>	<u>100%</u>	<u>-</u>

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 Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at March 31, 2021
2.16 Reserves and surplus		
Securities premium reserve	652.10	652.10
Deemed capital contribution	8.92	8.92
Retained earnings	2,230.54	1,597.77
	<u>2,891.56</u>	<u>2,258.79</u>

A. Nature and purpose of reserves

a. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

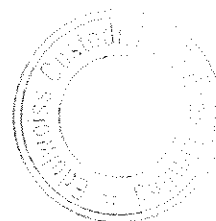
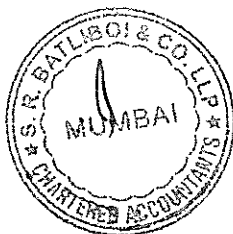
b. Deemed capital contribution

Deemed capital contribution relates to share options granted to eligible employees of the Company by the parent company under its employee share option plan.

c. Retained earnings

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

	As at 31 March 2022	As at March 31, 2021
Securities Premium Account	652.10	652.10
Add : Additions during the year	-	-
	<u>652.10</u>	<u>652.10</u>
Deemed capital contribution - ESOP	8.92	8.92
Add : Additions during the year	-	-
	<u>8.92</u>	<u>8.92</u>
Opening Balance	1,597.77	1,545.05
Adjustment of share based payments on lapsed /cancelled	3.27	-
Add: Profit for the year	630.61	1,052.96
Add: Other comprehensive income for the year	(1.11)	(0.57)
	<u>2,230.54</u>	<u>2,597.44</u>
Amount available for appropriation		
Appropriations:		
Interim dividend	-	999.67
	<u>2,230.54</u>	<u>1,597.77</u>
	<u>2,891.56</u>	<u>2,258.79</u>



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

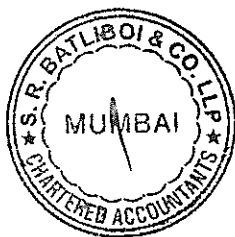
	As at 31 March 2022	As at March 31, 2021
2.17 Other financial liabilities- non current		
Lease Liability	112.16	-
	<u>112.16</u>	<u>-</u>
2.18 Provisions - non-current		
Provision for employee benefits		
Gratuity	18.40	18.49
Compensated leave absences	1.77	0.53
	<u>20.17</u>	<u>19.02</u>
2.19 Trade Payables		
	0.03	4.55
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues to creditors other than micro enterprises and small enterprises	225.75	85.59
	<u>225.78</u>	<u>90.14</u>

Trade payables due for payment

Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2022						
(i) MSME	-	0.03	-	-	-	0.03
(ii) Others	193.40	31.66	0.17	0.31	0.21	225.75
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	193.40	31.69	0.17	0.31	0.21	225.78

Particulars	Outstanding for following periods from date of transaction					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2021						
(i) MSME	3.92	0.63	-	-	-	4.55
(ii) Others	53.97	28.83	2.54	0.24	0.01	85.59
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
Total	57.89	29.46	2.54	0.24	0.01	90.14

Trade Payables includes ₹ 0.03 million (Previous year: ₹ 4.55 million) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this Act. The afore mentioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said Act.

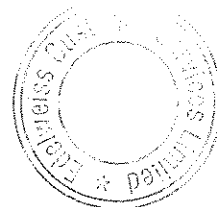
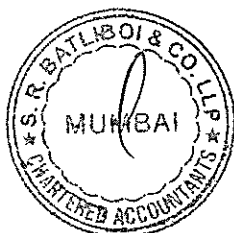


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	As at 31 March 2022	As at March 31, 2021
2.20 Other financial liabilities		
Unpaid dividends		
Unpaid dividends	-	3.51
Other payables	11.86	3.71
Margin money		
Payable to client (net)	30,479.11	38,488.88
(Deployed in the form of bank balances and fixed deposits amounting to ₹ 35,572.32 millions, March 31, 2021 ₹ 38,105.81 millions)		
Others		
Accrued salaries and benefits	79.79	59.29
Payable to exchange / clearing house (net)	7,112.96	422.18
Retention money payable	0.03	-
Outstanding expenses payable	128.43	152.97
Advances from customers	376.12	-
Lease liability	457.68	-
	38,645.98	39,130.54
2.21 Other non-financial liabilities		
Revenue received in advance		
Income received in advance	0.02	0.02
Others		
Statutory liabilities*	46.49	99.48
Others	0.16	1.34
	46.67	100.84
* Includes withholding taxes, other taxes payable		
2.22 Provisions		
Provision for employee benefits		
Gratuity	5.01	4.57
Compensated leave absences	0.58	1.63
	5.59	6.20
2.23 Current tax liabilities (net)		
Provision for taxation	27.04	101.58
(net of advance tax and tds ₹ 1,386.20 millions, March 31, 2021 ₹ 1,339.78 millions)		
	27.04	101.58

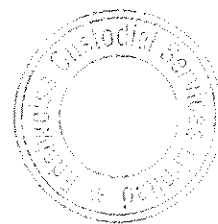


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended March 31, 2021
2.24 Fee and commission income (Service transferred at a point in time)		
Advisory and other fees	48.81	-
Clearing fees	81.72	81.21
	<u>130.53</u>	<u>81.21</u>
2.25 Interest income		
Interest income on deposits	1,833.26	1,508.54
Trade exposure charges	458.64	777.48
Interest income - Preference Capital	5.77	-
Interest income - Others	0.03	-
	<u>2,297.70</u>	<u>2,286.02</u>
2.26 Rental income		
Rental Income (refer note 2.40)	<u>203.29</u>	<u>1.20</u>
	<u>203.29</u>	<u>1.20</u>
2.27 Net gain on fair value changes		
Profit on trading of securities	74.33	-
Gain on financial instruments measured at FVTPL		
Fair value gain on stock-in-trade	43.13	-
	<u>117.46</u>	<u>-</u>
2.28 Other income		
Miscellaneous income	27.40	29.69
	<u>27.40</u>	<u>29.69</u>



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended March 31, 2021
2.29 Employee benefit expenses		
Salaries and wages	272.62	230.93
Contribution to provident and other funds (refer note 2.43)	12.78	8.67
Expense on share based payments - refer note below	3.19	3.32
Staff welfare expenses	7.88	3.15
	296.47	246.07

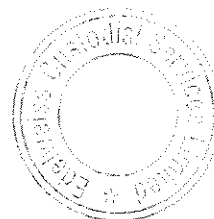
Note:

- 1) Edelweiss Securities Limited has granted Employee Stock Option Plans ("ESOP") to the Group's employees on an equity-settled basis. The Company has recognised share based payment expenses of ₹ 1.37 million for the year ended March 31, 2022 based on fair value as on the grant date calculated as per option pricing model.
- 2) Edelweiss Financial Services Limited ("EFSL") the company exercising significant influence over the Company, has granted ESOP/ESAR option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on 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.

2.30 Finance costs

At amortised cost

Interest on borrowings (other than debt securities)	-	10.59
Financial and bank charges	190.81	111.56
Interest on Margin	579.74	421.53
Interest - others	-	0.68
Interest on lease liability	51.55	3.94
	822.10	548.30

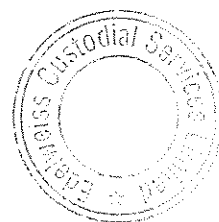


Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in millions)

	For the year ended 31 March 2022	For the year ended March 31, 2021
2.31 Other expenses		
Advertisement and business promotion (refer note 2.40)	20.60	7.83
Auditors' remuneration	2.37	1.70
Commission and brokerage	186.96	-
Communication	1.27	3.25
Insurance	0.18	0.22
Legal and professional fees	281.53	93.42
Printing and stationery (refer note 2.40)	0.25	0.84
Rates and taxes	0.13	0.07
Rent (refer note 2.36 & 2.40)	17.21	22.51
Repairs and maintenance	4.77	0.16
Electricity charges (refer note 2.40)	6.20	0.45
Foreign exchange loss (net)	2.57	0.42
Bad- debts and advances written off	0.86	0.70
Provision for doubtful debts	(23.33)	6.57
Computer expenses (refer note 2.40)	61.77	15.69
Computer software	12.94	18.13
Corporate social responsibility (refer note 2.45)	28.04	17.96
Clearing & custodian charges	0.09	0.01
Dematerialisation charges	0.10	0.55
Rating support fees	1.08	0.40
Loss on sale of fixed assets	(0.01)	9.38
Membership and subscription	16.30	3.99
Office expenses (refer note 2.40)	50.13	32.85
Postage and courier	0.08	0.08
ROC expenses	0.02	-
Seminar & conference	0.55	0.01
Goods & Service tax expenses	1.21	0.83
Stamp duty	2.24	0.26
Stock exchange expenses	2.67	1.47
Transportation charges	-	0.02
Travelling and conveyance	5.09	4.40
Miscellaneous expenses	0.01	-
Usage of assets	-	1.88
Interest on shortfall in payment of Advance Income Tax	1.30	4.51
Outside services cost	8.43	7.78
	693.61	258.34
Auditors' remuneration:		
For statutory audit fee	0.55	1.12
For limited review fee	1.05	1.05
For special audit fee	0.90	-
For certification	0.05	0.15
Towards reimbursement of expenses	0.00	0.01
	2.56	2.33
Towards discontinued operations	(0.19)	(0.63)
Net total	2.37	1.70



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

For the year ended March 31, 2022

(Currency : Indian rupees in million)

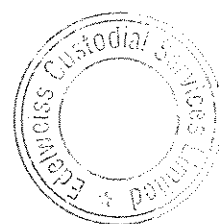
2.32 Income tax

The components of income tax expense :

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax	204.96	363.23
Adjustment in respect of current income tax of prior years	(27.90)	(5.76)
Deferred tax relating to origination and reversal of temporary differences	11.36	(4.87)
Total tax charge for the year	188.42	352.60
Current tax (refer note 2.44b)	177.06	357.47
Deferred tax (refer note 2.44c)	11.36	(4.87)

2.32a 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 from continuing operations	815.91	1,301.04
Profit before taxes from discontinuing operations	3.48	104.51
Profit before taxes	819.39	1,405.55
Statutory income tax rate	25.17%	25.17%
Tax charge at statutory rate	206.22	353.75
Tax effect of :		
Adjustment in respect of current income tax of prior years	(27.90)	(5.76)
Effect of income not subject to tax:		
Deduction u/s 35D (1/5th of capital expenditure)	(0.00)	(0.01)
Effect of non-deductible expenses:		
Donation/ contribution towards CSR	-	-
Interest on shortfall of advance tax	0.33	2.26
Interest on late payment of DDT	-	-
Interest on late payment of TDS	-	-
Purchase of mobiles phones debited to P&L	0.00	0.00
Donation - deduction under chapter VI-A (Section 80G)	7.63	6.37
Employee stock option charges	0.81	-
Gratuity Expenses	-	-
Compensated absences	-	-
Provision for doubtful debts	-	-
Depreciation	-	(3.70)
Lease Payments	(0.24)	(0.31)
Others	-	-
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	-	-
Minimum alternate tax on book profits (incremental portion)	-	-
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	-	-
Impact of certain items being taxed at different rates (for example, capital gains at different rates, etc.)	1.57	-
DTA on gratuity	-	-
Tax charge for the year recorded in P&L	188.42	352.60



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

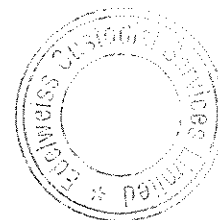
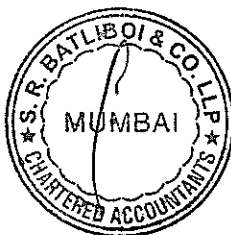
For the year ended March 31, 2022

(Currency : Indian rupees in million)

2.32c 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	6.35	(2.41)	-	(2.41)	3.93
investments (property)	-	(1.13)	-	(1.13)	(1.13)
Stock-in-trade	-	(10.86)	-	(10.86)	(10.86)
Employee benefits obligations	0.19	-	0.37	0.37	0.57
Gratuity and compensated absense	6.15	(0.25)	-	(0.25)	5.91
Provision on expected credit loss	8.02	(5.87)	-	(5.87)	2.15
ROU Asset	-	8.78	-	8.78	8.78
Total	20.71	(11.74)	0.37	(11.36)	9.35

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2020-21)			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	0.38	5.97	-	5.97	6.35
Employee benefits obligations	-	-	0.19	0.19	0.19
Employee stock option charges	-	-	-	-	-
Gratuity and compensated absense	4.92	1.24	-	1.24	6.15
Provision on expected credit loss	6.24	1.78	-	1.78	8.02
ROU Asset	4.12	(4.12)	-	(4.12)	-
Total	15.66	4.86	0.19	5.06	20.71



Edelweiss Custodial Services Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2022

(Currency: Indian rupees in million)

2.33 Segment reporting

The Company has a single business segment.

The Company is in the business of providing custodial services and clearing and settlement 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

2.34 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 :

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

Edelweiss Financial Services Limited (Upto March 26, 2021) Ultimate Holding Company

Edelweiss Global Wealth Management Limited (w.e.f March 27, 2021 till March 31, 2022) Parent of Holding Company

PAGAC Ecstasy Pte Limited (w.e.f. March 27, 2021) Ultimate Holding Company

Edelweiss Securities Limited Holding company

(B) Names of related parties who exercise significant influence

Edelweiss Financial Services Limited (w.e.f. March 27, 2021)

(C) Fellow subsidiaries with whom the Company has transactions:

(i) Upto March 26 2021

EC Commodity Limited (refer note 2)

Ecap Equities Limited (refer note 2)

ECL Finance Limited

Edel Finance Company Limited (refer note 5)

Edel Investments Limited

Edel Land Limited (refer note 2)

Edelcap Securities Limited

EdelGive Foundation

Edelweiss Alternative Asset Advisors Limited

Edelweiss Alternative Asset Advisors Pte. Ltd.

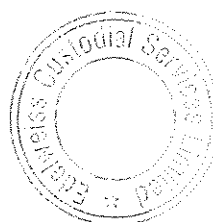
Edelweiss Asset Management Limited

Edelweiss Asset Reconstruction Company Limited

Edelweiss Broking Limited

Edelweiss Comtrade Limited

Edelweiss Gallagher Insurance Brokers Limited



Edelweiss Custodial Services Limited

Notes to the financial statements *(continued)*

For the year ended 31 March 2022

(Currency: Indian rupees in million)

- 2.34 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)*

(C) Fellow subsidiaries with whom the Company has transactions:

(i) Upto March 26 2021

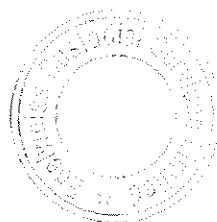
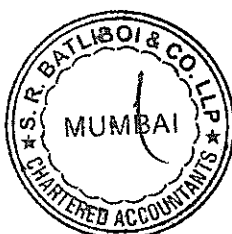
Edelweiss General Insurance Company Limited
Edelweiss Housing Finance Limited
Edelweiss Investment Adviser Limited
Edelweiss Retail Finance Limited
Edelweiss Rural & Corporate Services Limited
Edelweiss Securities And Investments Private Limited
Edelweiss Investment Advisors Pte. Limited
Edelweiss Securities (IFSC) Limited
ESL Securities Limited
Edelweiss Alternative Assets Advisors Limited
Edelweiss Capital Services Limited

(ii) w.e.f. March 27, 2021

Edelweiss Investment Advisors Pte. Limited
Edelweiss Securities (IFSC) Limited
ESL Securities Limited
Edelweiss Capital Services Limited
Edelweiss Broking Limited
Edelweiss Finance & Investments Limited
Asia Pragati Strategic Investment Fund
PAG Investment Advisors Pte. Ltd.

(D) Subsidiaries of entities exercising significant influence with whom the Company has transactions:

EC Commodity Limited (refer note 2)
ECap Equities Limited (refer note 2)
ECL Finance Limited
Edel Finance Company Limited (Refer note 4)
Edel Investments Limited
Edel Land Limited (refer note 2)
Edelcap Securities Limited
EdelGive Foundation
Edelweiss Alternative Asset Advisors Limited
Edelweiss Asset Management Limited
Edelweiss Comtrade Limited



Edelweiss Custodial Services Limited

Notes to the financial statements *(continued)*

For the year ended 31 March 2022

(Currency: Indian rupees in million)

2.34 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)*

(D) Subsidiaries of entities exercising significant influence with whom the Company has transactions: *(Continued)*

Edelweiss Finvest Limited (formerly Edelweiss Finvest Private Limited) (refer note 4)

Edelweiss Gallagher Insurance Brokers Limited

Edelweiss General Insurance Company Limited (Upto October 17, 2021)

Edelweiss Housing Finance Limited

Edelweiss Retail Finance Limited

Edelweiss Rural & Corporate Services Limited

(E) Key management persons with whom transactions have taken place

Mr. Dipesh Shah (Managing Director & Chief Executive Officer)

Mr. Sandesh Sawant (Chief Financial Officer w.e.f. August 01, 2020)

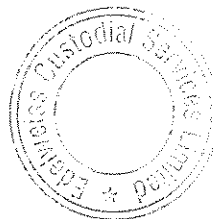
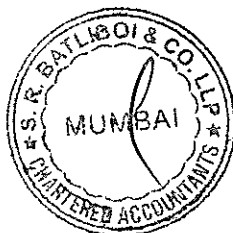
Mr. Pradeep Khandelwal (Executive Director w.e.f. October 28, 2021)

(F) Other key management persons

Mr. Shiv Sehgal (Non-executive director)

(G) Key management person of holding company

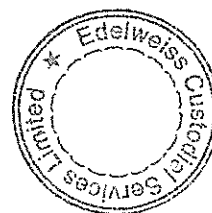
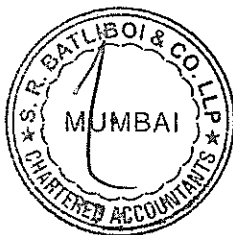
Mr. Ashish Kehair (Managing Director & CEO)



Edelweiss Custodial Services Limited
(Currency : Indian rupees in millions)

Transactions with related parties during the year ended March 31, 2022

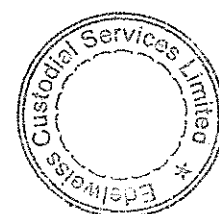
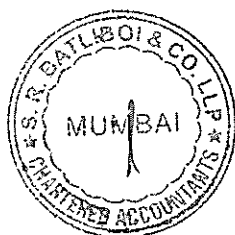
Sr. No.	Nature of Transaction	Related Party Name	March 31, 2022	March 31, 2021
	<u>Current account transaction</u>			
1	Loan repayment aggregate to	Edelweiss Rural & Corporate Services Limited	-	1,156.00
2	EARC Investment sold to	Edelweiss Securities Limited	-	628.94
3	Margin received aggregate from	Edel Land Limited **	4,626.83	2,199.33
		Edel Land Limited **	28,455.63	29,049.09
		ECL Finance Limited	12,254.27	59,842.29
		Edel Investments Limited	12,883.71	1,165.14
		Edel Land Limited	10,006.49	5,608.80
		Edelcap Securities Limited	12,856.00	33,768.80
		Edelweiss Broking Limited	140,366.80	182,320.34
		Edelweiss Finance & Investments Limited	63,707.27	18,392.13
		Edelweiss Securities Limited	299,825.87	18,003.09
		Edelweiss Comtrade Limited	0.31	3.70
		Edelweiss Financial Services Limited	48.87	599.67
		Edelweiss Investment Advisors Limited	572.11	0.00
		Edelweiss Securities And Investments Private Limited	3,037.88	202.54
		Edelweiss Rural & Corporate Services Limited	880.10	1,633.93
		Edelweiss Retail Finance Limited	-	71.35
		Edel Finance Company Limited***	-	11,981.72
4	Margin repaid aggregate to	Edel Land Limited **	5,129.65	1,696.46
		Edel Land Limited **	28,386.35	28,987.29
		ECL Finance Limited	12,310.95	59,797.09
		Edel Investments Limited	12,327.75	1,079.65
		Edel Land Limited	10,296.13	5,533.37
		Edelcap Securities Limited	12,882.67	33,898.87
		Edelweiss Broking Limited	138,355.86	179,441.16
		Edelweiss Finance & Investments Limited	66,496.27	16,091.52
		Edelweiss Financial Services Limited	76.16	587.20
		Edelweiss Securities Limited	300,199.40	18,289.56
		Edelweiss Comtrade Limited	0.47	3.45
		Edelweiss Investment Advisors Limited #	569.67	0.00
		Edelweiss Securities And Investments Private Limited	3,037.38	202.40
		Edelweiss Rural & Corporate Services Limited	880.10	1,631.83
		Edel Finance Company Limited***	0.01	12,329.36
		Edelweiss Retail Finance Limited	-	70.65
5	Business Service Charges Income from	Edelweiss Securities Limited	2.83	0.33
		Edelweiss Gallagher Insurance Brokers Limited	-	0.20
		Edelweiss Global Wealth Management Limited #	1.03	0.00
		Edelweiss Finance & Investments Limited	2.42	0.03
		Edel Land Limited ** #	-	0.00
		Edelweiss Financial Services Limited #	1.67	0.00
		Edelweiss Broking Limited	7.58	0.04
		ESL Securities Limited	0.98	-
		Edelweiss Capital Services Limited	0.32	-
		Edelweiss Comtrade Limited #	-	0.00
		Edelweiss Asset Management Limited #	-	0.00
		Edel Land Limited #	-	0.00
		Edel Land Limited ** #	-	0.00
		Edelcap Securities Limited #	-	0.00
		ECL Finance Limited #	-	0.00
		Edelweiss Rural & Corporate Services Limited	-	0.05
		Edel Investments Limited #	-	0.00
		Edelweiss Asset Reconstruction Company Limited	-	0.24
		Edel Finance Company Limited*** #	-	0.00



Edelweiss Custodial Services Limited
(Currency: Indian rupees)

Transactions with related parties during the year ended March 31, 2022

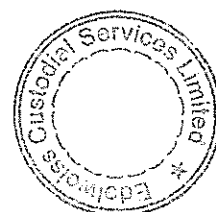
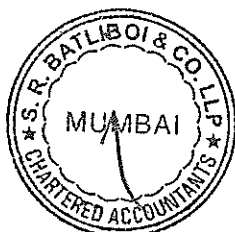
Sr. No.	Nature of Transaction	Related Party Name	March 31, 2022	March 31, 2021
6	Clearing charges income received from	Edel Land Limited **	3.68	2.14
		ECL Finance Limited	0.26	1.77
		Edel Investments Limited	1.12	0.08
		Edel Land Limited	1.65	0.94
		Edel Land Limited **	0.83	0.18
		Edelcap Securities Limited	1.52	3.63
		Edelweiss Finance & Investments Limited	2.46	0.47
		Edelweiss Financial Services Limited #	0.00	0.02
		Edelweiss Broking Limited	27.60	19.08
		Edelweiss Securities Limited	0.02	0.09
		Edelweiss Securities and Investments Private Limited	0.06	0.11
		Edelweiss Investment Advisors Limited	0.24	-
		Edelweiss Rural & Corporate Services Limited	0.17	0.03
		Edel Finance Company Limited***	-	0.13
7	Chaperoning fees paid to	Edelweiss Investment Advisors Pte. Limited	94.25	60.62
		Edelweiss Financial Services (UK) Limited	14.30	-
		Edelweiss Securities (Hong Kong) Pvt Limited	41.60	-
8	Demat charges received from	Edel Finance Company Limited*** #	-	0.00
		Edel Land Limited **	-	0.01
		ECL Finance Limited #	-	0.00
		Edel Land Limited ** #	-	0.00
		Edel Investments Limited #	-	0.00
		Edel Land Limited #	-	0.00
		Edelcap Securities Limited #	-	0.00
		Edelweiss Securities and Investments Private Limited #	-	0.00
		Edelweiss Broking Limited	-	1.95
9	Trade exposure charges	Edelweiss Rural & Corporate Services Limited #	-	0.00
		Edel Finance Company Limited***		31.97
		Edel Land Limited **	23.39	14.26
		Edel Land Limited **	97.84	144.13
		ECL Finance Limited	0.21	10.45
		Edel Investments Limited	79.76	4.08
		Edel Land Limited	55.17	65.63
		Edelcap Securities Limited	30.22	90.35
		Edelweiss Financial Services Limited*	-	0.00
		Edelweiss Finance & Investments Limited	0.56	0.16
		Edelweiss Broking Limited	39.01	47.52
		Edelweiss Securities Limited	88.61	214.09
		Edelweiss Securities and Investments Private Limited	4.98	5.37
		Edelweiss Investment Advisors Limited	6.59	-
10	Rating fees paid	Edelweiss Rural & Corporate Services Limited	0.34	7.15
		Edelweiss Retail Finance Limited #	-	0.00
10	Rating fees paid	Edelweiss Financial Services Limited	-	0.02
		Edelweiss Rural & Corporate Services Limited	0.03	0.04
11	Cost reimbursement received from			
		Edel Land Limited ** #	-	0.00
		Edel Finance Company Limited***	-	0.02
		Edel Land Limited	-	0.01
		Edelcap Securities Limited #	-	0.00
		Edel Investments Limited #	-	0.00
		Edelweiss Comtrade Limited #	-	0.00
		Lichen Metals Private Limited #	-	0.00
		Edelweiss Gallagher Insurance Brokers Limited	-	3.11
		Edelweiss Retail Finance Limited	-	0.01
		Edelweiss Asset Reconstruction Company Limited	-	2.78
		Edelweiss Broking Limited	88.15	1.86
		Edelweiss Finance & Investments Limited	28.40	0.33
		Edelweiss Global Wealth Management Limited	12.16	0.11
		Edelweiss Financial Services Limited #	19.24	0.00
		Edelweiss Asset Management Limited	-	0.14
		Edelweiss Securities Limited	30.81	-
		ESL Securities Limited	11.36	-
		Edelweiss Capital Services Limited	3.89	-



Edelweiss Custodial Services Limited
(Currency: Indian rupees)

Transactions with related parties during the year ended March 31, 2022

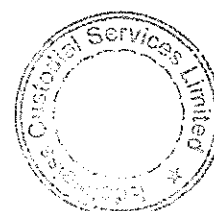
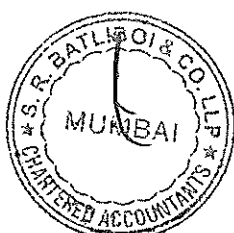
Sr. No.	Nature of Transaction	Related Party Name	March 31, 2022	March 31, 2021
12	Cost reimbursement paid to	Edel Land Limited **	75.72	10.25
		Edelweiss Asset Management Limited	-	0.26
		Edelweiss Financial Services Limited	0.76	16.88
		Edelweiss Rural & Corporate Services Limited	96.81	58.83
		Edelweiss Securities Limited	86.35	9.36
		Edelweiss Housing Finance Limited	0.26	0.18
		ECL Finance Limited*	-	0.19
		Edelweiss Broking Limited	0.04	0.22
		Edelweiss Alternative Asset Advisors Limited	0.59	0.02
		Edel Land Limited	0.26	-
		Edel Finance Company Limited	2.40	-
13	Custody Fees Income received from	Edelweiss Asset Management Limited	0.29	3.16
14	Fund Accounting Fee Income received from	Edelweiss Asset Management Limited	0.88	2.16
15	Interest Expenses on loan from	Edelweiss Rural & Corporate Services Limited	-	10.59
16	Interest expenses on margin placed by	Edel Land Limited #	0.37	0.00
		Edel Land Limited **	0.57	2.27
		ECL Finance Limited	10.92	32.32
		Edel Investments Limited	3.98	1.09
		Edel Land Limited	0.01	0.17
		Edelcap Securities Limited	1.55	9.57
		Edelweiss Broking Limited	306.01	177.76
		Edelweiss Finance & Investments Limited	3.00	2.76
		Edelweiss Financial Services Limited	0.24	1.45
		Edel Finance Company Limited***	-	5.58
		Edelweiss Investment Advisors Limited #	-	0.00
		Edelweiss Rural & Corporate Services Limited	0.16	0.45
		Edelweiss Securities Limited	23.85	7.41
		Edelweiss Securities and Investments Private Limited #	0.28	0.00
17	Referral & Other Fees Income from	Edelweiss Securities Limited	0.04	69.03
18	Referral & Other Fees expenses to	Edelweiss Broking Limited	101.13	-
		Edelweiss Securities Limited	61.71	-
		PAG Investment Advisors Pte. Ltd.	24.12	-
19	Membership & Subscription	Edelweiss Securities Limited	12.00	-
20	Fixed Assets purchased from	ECL Finance Limited #	0.00	0.01
		Edel Land Limited **	-	0.01
		Edelweiss Broking Limited	0.02	0.05
		Edelweiss Housing Finance Limited #	0.00	-
		Edelweiss Finance & Investments Limited	-	0.01
		Edelweiss Financial Services Limited	-	0.01
		Edelweiss Gallagher Insurance Brokers Limited #	-	0.00
		Edel Land Limited ** #	-	0.00
		Edelweiss Retail Finance Limited	-	0.04
		Edelweiss Rural & Corporate Services Limited #	0.00	0.05
		Edelweiss Securities Limited	0.02	0.60
		Edelcap Securities Limited	-	0.01
		Edel Finance Company Limited*** #	0.00	0.01
		Lichen Metals Private Limited #	-	0.00
		Edelweiss Asset Reconstruction Company Limited #	0.00	0.01
21	Fixed Assets sold to	Edel Land Limited	0.04	-
		Edelweiss Asset Management Limited #	0.00	-
		Edelweiss Broking Limited	0.03	0.07
		Edelweiss Gallagher Insurance Brokers Limited #	-	0.00
		Edelweiss Capital Services Limited	0.11	0.16
		Edelweiss Rural & Corporate Services Limited #	0.00	0.00
		Edelweiss Securities Limited	-	0.30
		Edelweiss Finance & Investments Limited #	0.00	0.04
		Edelweiss Global Wealth Management Limited #	-	0.00
		Edelweiss Financial Services Limited #	-	0.00



Edelweiss Custodial Services Limited
(Currency: Indian rupees)

Transactions with related parties during the year ended March 31, 2022

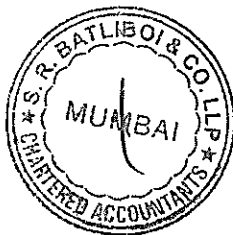
Sr. No.	Nature of Transaction	Related Party Name	March 31, 2022	March 31, 2021
22	Expenses for employee stock option plans	Edelweiss Financial Services Limited	0.25	1.94
		Edelweiss Securities Limited	1.37	-
23	Expenses for employee Stock Appreciation Rights	Edelweiss Financial Services Limited	1.78	2.74
24	Insurance premium paid to	Edelweiss Securities Limited	0.16	-
		Edelweiss Tokio Life Insurance Company Limited	1.80	-
		Edelweiss General Insurance Company Limited	1.24	-
25	Mediclaime expenses paid to	Edelweiss General Insurance Company Limited	2.52	4.38
		Edelweiss Financial Services Limited	-	1.04
25	CSR expenses paid to	EdelGive Foundation	30.10	25.30
25	Branding fee paid to	Edelweiss Securities Limited	6.09	6.74
26	Security deposit paid to	Edel Land Limited **	64.43	-
		Edelweiss Rural & Corporate Services Limited	84.44	-
27	Slump Sale of Custody, SLB and DDP business	Edelweiss Capital Services Limited	101.16	-
28	Gratuity liability transferred to	Edelweiss Capital Services Limited	2.67	2.13
		Edelweiss Broking Limited	0.06	0.02
		Edelweiss Finance & Investments Limited	0.01	-
		Edelweiss Asset Management Limited	-	0.05
		Edelweiss Securities Limited	0.74	0.18
29	Gratuity liability transferred from	Edelweiss Rural & Corporate Services Limited	0.43	0.58
		Edel Land Limited **	-	0.26
		ECL Finance Limited	-	1.23
		Edelweiss Alternative Asset Advisors Limited	-	0.06
		Edelweiss Asset Management Limited	-	0.49
		Edelweiss Asset Reconstruction Company Limited	-	0.17
		Edelweiss Broking Limited	-	0.01
		Edelweiss Gallagher Insurance Brokers Limited	-	0.58
		Edelweiss Retail Finance Limited	-	0.73
		Edelweiss Securities Limited	-	0.58
		Lichen Metals Private Limited	-	0.24
30	Liquidity support fees to	Asia Pragati Strategic Investment Fund	90.00	-
ESOP charge Reversal recovered (through Reserves & 31 Surplus)		Edelweiss Financial Services Limited	1.17	-
SAR charge Reversal recovered (through Reserves & 32 Surplus)		Edelweiss Financial Services Limited	1.88	-
33	Managerial remuneration (refer note 3)	Key managerial personnel	26.04	17.21
34	Sale of shares	Key managerial personnel	7.11	-
35	Interim dividend paid to	Edelweiss Securities Limited	-	999.67
Balances with related parties				
36	Accrued interest expenses on margin placed by	Edel Land Limited #	0.00	0.00
		Edel Land Limited **	0.09	0.65
		ECL Finance Limited	6.59	3.87
		Edel Investments Limited	0.41	1.03
		Edelcap Securities Limited #	0.00	0.75
		Edelweiss Finance & Investments Limited	0.04	0.39
		Edel Finance Company Limited***	-	0.01
		Edelweiss Broking Limited	91.68	80.03
		Edelweiss Investment Advisors Limited*	-	0.00
		Edel Land Limited #	0.00	0.13
		Edelweiss Financial Services Limited	-	1.40
		Edelweiss Securities Limited	8.65	3.92
		Edelweiss Rural & Corporate Services Limited	-	0.07



Edelweiss Custodial Services Limited
(Currency: Indian rupees)

Transactions with related parties during the year ended March 31, 2022

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2022	March 31, 2021
37	Trade Payables to	Edel Land Limited **	-	1.51
		Edelweiss Financial Services Limited	0.29	0.36
		Edelweiss Housing Finance Limited	0.02	0.02
		Edelweiss Rural & Corporate Services Limited	8.66	5.59
		Edelweiss Investment Advisors Private Limited	-	48.40
		Edelweiss Broking Limited	3.18	0.08
		Edel Land Limited ** #	0.00	0.00
		Edelweiss Retail Finance Limited	0.16	-
		Edelweiss Asset Reconstruction Company Limited	-	0.01
		ECL Finance Limited* #	-	0.00
		Edelweiss Retail Finance Limited* #	-	0.00
		Edelweiss Multi Strategy Fund Advisors LLP* #	-	0.00
		Edelweiss Gallagher Insurance Brokers Limited #	0.00	0.04
		Edelweiss Securities Limited	17.29	-
		Edelweiss Investment Advisors Pte. Limited	26.06	-
		Edelweiss Securities (Hong Kong) Pvt Limited	4.65	-
		Edelweiss Financial Services (UK) Limited	0.88	-
		Edelweiss General Insurance Company Limited	-0.08	-
		Edelweiss Alternative Asset Advisors Limited	0.33	-
		Edel Land Limited	6.83	-
		Edelweiss Capital Services Limited	0.06	-
		PAG Investment Advisors Pte. Ltd.	24.12	-
		Asia Pragati Strategic Investment Fund	90.00	-
38	Trade receivables from	Edelweiss Asset Management Limited	0.10	0.93
		Edelweiss Securities Limited * #	1.15	0.00
		Edelweiss Securities Limited	3.02	2.71
		Edelweiss Finance & Investments Limited	481.44	0.04
		ECL Finance Limited	1.24	-
		Edelweiss Broking Limited	8.42	-
		Edelweiss Retail Finance Limited	0.72	-
		Edelweiss Capital Services Limited	0.48	0.19
		Edelweiss Financial Services Limited	1.86	-
		Edel Land Limited	190.87	-
		ESL Securities Limited	1.07	-
		Edel Land Limited **	0.01	69.30
		Edel Land Limited ** #	0.00	-
39	Advances recoverable in cash or kind	Edelweiss Rural & Corporate Services Limited	0.43	0.58
		Edelweiss Retail Finance Limited	-	0.73
		Edelweiss Securities Limited	-	1.26
		ECL Finance Limited	-	1.23
		Edelweiss Asset Management Limited	-	0.05
		Edel Land Limited **	-	0.44
		Edelweiss Gallagher Insurance Brokers Limited	-	0.58
		Edelweiss Broking Limited	0.02	-
		Edelweiss Alternative Asset Advisors Limited	-	0.06
		Edelweiss Asset Reconstruction Company Limited	-	0.17
		Edelweiss Tokio Life Insurance Company Limited	-	-
		Edelweiss Financial Services Limited	1.59	-
40	Dividend payable	Edelweiss Securities Limited	-	3.51
40	Others payable	Edelweiss Financial Services Limited	5.15	1.74
		Edelweiss Capital Services Limited	2.67	2.13
		Edelweiss Asset Management Limited	-	0.05
		Edelweiss Securities Limited #	-0.00	0.18
		Edelweiss Broking Limited	0.06	0.01
		Edelweiss Securities Limited	2.11	-
		Edelweiss Finance & Investments Limited	0.01	-
		Edelweiss Rural & Corporate Services Limited	0.44	-



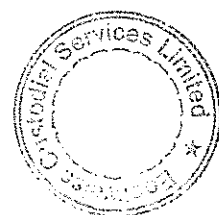
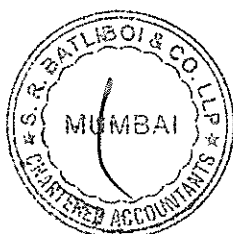
Edelweiss Custodial Services Limited
(Currency: Indian rupees)

Transactions with related parties during the year ended March 31, 2022

Sr. No.	Nature of Transaction	Related Party Name	March 31, 2022	March 31, 2021
41	Margins payable to clients	ECL Finance Limited	474.90	531.71
		Edel Investments Limited	-	138.63
		Edelweiss Financial Services Limited	0.47	27.76
		Edel Land Limited	-	101.77
		Edelcap Securities Limited	91.98	219.55
		Edelweiss Finance & Investments Limited	-	2,310.37
		Edel Land Limited **	-	10.18
		Edel Finance Company Limited***	-	0.01
		Edelweiss Securities Limited	114.95	488.48
		Edelweiss Comtrade Limited	0.10	0.26
		Edelweiss Broking Limited	9,039.24	7,028.29
		Edelweiss Rural & Corporate Services Limited	1.50	1.50
		Edelweiss Retail Finance Limited	0.47	-
		Edelweiss Securities and Investments Private Limited	0.50	-
		Edel Investment Limited	694.58	-
		Edelweiss Investment Advisors Limited	4.80	2.36
		Edel Land Limited **	-	502.82
		Edelweiss Retail Finance Limited	-	0.47
42	Corporate guarantee received from	Edelweiss Securities Limited	1,750.00	-
		Edelweiss Financial Services Limited	8,950.00	14,500.00
43	Security deposit received from	Edel Land Limited **	64.43	-
		Edelweiss Rural & Corporate Services Limited	84.44	-

Amount is less than ₹ 0.01 million

- Note 1 * Pertains to Wealth Management Business undertaking demerged from Edelweiss Global Wealth Management Limited and merged into Edelweiss Securities Limited.
- Note 2 ** Pursuant to composite scheme of arrangement and amalgamation under section 230 to 232 of the Companies Act, 2013 as sanctioned by NCLT Hyderabad on February 9, 2022 and as sanctioned by NCLT Mumbai on February 10, 2022, Edel Land Limited ("Amalgamated or Resultant Company"), ECap Equities Limited ("Demerged Company - defined in the scheme as demerged undertaking and thereby entire activities, business, operations, and undertakings of the Demerged Company forming part of the Trading and Capital Markets business) and EC Commodity Limited ("Amalgamating Company") has been amalgamated with effect from April 01, 2020 ("the Appointed date"). The merger order has been filed with ROC on March 25, 2022. Accordingly, the financial statements of Edel Land Limited have been prepared taking into account the effect of the composite scheme of arrangement and amalgamation and the said orders.
- Note 3 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.
- Note 4 *** Edelweiss Finvest Limited (formerly Edelweiss Finvest Private Limited) was merged into Edel Finance Company Limited with effect from April 09, 2021. Hence all related party transactions transacted during the year and the outstanding balances thereof, as at the end of the year relating to the Merged entity are considered to be transacted with Edel Finance Company Limited and disclosed accordingly.



Edelweiss Custodial Services Limited

Notes to the financial statements *(continued)*

For the year ended 31 March 2022

(Currency: Indian rupees in million)

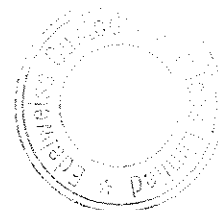
2.35 Earnings per share

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 31 March 2022	For the year ended 31 March 2021
(a)	Shareholders earnings (as per Statement of Profit and Loss)	630.61	1,052.94
	Less: dividend on preference share including dividend distribution tax	Nil	Nil
	Net profit for the year attributable to equity shareholders	630.61	1,052.94
(b)	Calculation of weighted average number of equity Shares of Rs. 10 each	-	-
	Number of shares outstanding at the beginning of the year	6,267,500	6,267,500
	Number of Shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	6,267,500	6,267,500
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	6,267,500	6,267,500
(c)	Number of dilutive potential equity shares	-	-
(d)	Basic and diluted earnings per share (in rupees) (a)/(b)	100.62	168.00

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 year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

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



Edelweiss Custodial Services Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2022

(Currency: Indian rupees in million)

2.36 Contingent liabilities, Capital commitments and lease arrangements

A. Contingent liabilities (to the extent not provided for)

- a) The Company has provided bank guarantees aggregating to ₹ 10,695.00 million (Previous year: ₹ 6,945.00 million) as on 31 March 2022 to The National Stock Exchange of India Limited for meeting margin requirements.

The Company has pledged fixed deposits with banks aggregating of ₹3,435.57 million (Previous year: ₹1,544.84 million) as on 31 March 2022 for obtaining the above bank guarantees as per sanction terms.

- b) The Company has provided bank guarantees aggregating to ₹5.00 million (Previous year: ₹5.00 million) as on 31 March 2022 to The Bombay Stock Exchange of India Limited for meeting margin requirements.

The Company has pledged fixed deposits with banks aggregating of ₹2.55 million (Previous year: ₹0.50 million) as on 31 March 2022 for obtaining the above bank guarantees as per sanction terms.

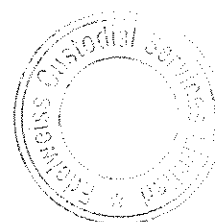
- c) The Company has claims not acknowledged as debts of ₹22.50 million (Previous year: ₹22.50 million).

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

There are no obligations as on 31st March 2022 other than those disclosed above and in note 2.2A.

- d) Trading Member - V-Rise

During the year ended March 31, 2020, NSE Clearing Ltd (NCL) conducted an enquiry & issued a show cause notice directing Group to reinstate the collateral (worth Rs. 293.3 million.) of V-Rise Securities Pvt. Ltd (Vrise) which were liquidated by the Group for non-payment of obligation towards trades executed by Vrise. The Group had filed an appeal against the impugned order of NCL with Securities Appellate Tribunal (SAT) and SAT by its order had granted a stay on the matter till the appeal has been decided. The matter has been listed for further hearing. The Group believes that the liquidation of collateral arising on account of inability of Vrise to meet the outstanding obligations was in accordance with the contracts executed with Vrise and applicable laws and regulations to Professional Clearing Member (PCM) and accordingly, the Group has assessed such liability to be remote. Accordingly, there is no adjustment required in the financial results for the year ended March 2022.



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

(Currency: Indian rupees in million)

2.36 Contingent liabilities, Capital commitments and lease arrangements (Continued)

A. Contingent liabilities (to the extent not provided for) (Continued)

e) Trading Member - Indianivesh Shares & Securities Pvt Ltd.

In the month of March 2020, one of the client viz. Indianivesh Shares & Securities Pvt. Ltd (Indianivesh) defaulted in its obligation towards Margin/MTM/other charges having a total exposure of Rs. 977.4 million. The balance outstanding as at June 30, 2021 is Rs. 934.9 million. The Group invoked collateral of Indianivesh in the form of encumbered fixed deposits worth Rs. 1,007.5 million with HDFC Bank Ltd. by Indianivesh, which HDFC bank refused to honour. The Group has filed an arbitration petition against HDFC Bank and Indianivesh with the Hon. High Court – Mumbai and the court has granted an interim relief. The Group further filed a Commercial Arbitration Application before the Bombay High Court under Section 11 of the Arbitration and Conciliation Act, 1996 for an appointment of a Sole Arbitrator. Bombay High Court has appointed Justice S. J. Vazifdar (Retd.) as a sole arbitrator to adjudicate the disputes. Being aggrieved, Indianivesh has filed a Special Leave Petition before Hon'ble Supreme Court challenging the said appointment. Subsequently Consent Terms were executed between ECSL and Indianivesh by which all disputes and/or claims in respect of the aforesaid issues were resolved. Accordingly, the Arbitration Petition filed by ECSL with the Bombay High Court against Indianivesh and HDFC Bank Ltd. was disposed of vide order dated December 14, 2021. Further Indianivesh had made an application to withdraw the SLP before the Hon'ble Supreme Court which was withdrawn vide order dated April 28, 2022. The matter stands resolved as on date.

f) Trading Member – Anugrah Stock and Broking Pvt. Ltd.

Edelweiss Custodial Services Limited ('ECDSL'), a group company of Edelweiss Securities Limited ('ESL'), challenged an order, by an investigating agency, marking lien on its clearing account, before the 47th Additional Chief Metropolitan Magistrate Court, Mumbai. Since the investigation against the trading member Anugrah Stock and Broking Pvt. Ltd. ("Anugrah"), for which ECDSL was a Clearing Member, is still under process, the said investigative agency contended that it had no objection to setting aside the lien order upon ECDSL providing an undertaking to keep sufficient assets unencumbered. ECDSL has since provided undertaking to keep sufficient assets amounting to Rs. 4,603.2 million belonging to ESL (Rs 662.5 million) and other subsidiaries of Edelweiss Financial Services Limited (Rs. 3,940.7 million), unencumbered and the said lien order has been set aside. The matter has been listed for further hearing.

Various Arbitration/Writ Petitions have been filed before the Hon'ble Bombay High Court ("Hon'ble Court") by various end clients of Anugrah against Anugrah and its associates. ECDSL has been made party to the same. All the Writ Petitions have been tagged together and common orders have been passed. The matters are yet to be listed for further hearing.

EOW investigations at Cyberabad, Telangana and at Amravati are going on in the matter of Anugrah. Further one end client of Anugrah had filed an FIR at Hyderabad, Telangana for which investigation is under process.

ECDSL believes that it has acted in accordance with the agreement entered with the trading member and in accordance with applicable laws and regulations. Accordingly, there is no adjustment required in the financial results for the year ended March 2022.



Edelweiss Custodial Services Limited

Notes to the financial statements *(continued)*

For the year ended 31 March 2022

(Currency: Indian rupees in million)

2.36 Contingent liabilities, Capital commitments and lease arrangements *(Continued)*

B. Capital commitment (to the extent not provided for)

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 1.78 million (previous year : Rs. 0.28 million).

C. Operating Leases

The Company has entered into commercial leases for premises. This lease has a life of five years. There are no restrictions placed upon by the lessor by entering into these leases.

The statement of profit and loss shows the following amounts relating to leases

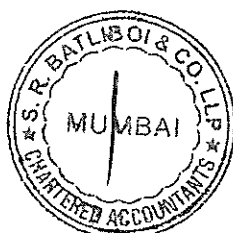
	FY 2021-22	FY 2020-21
Depreciation on ROU of building	133.65	8.44
Interest cost	51.55	3.94
Expenses related to short term lease	-	-
Expenses related to low value lease	-	-

Measurement of lease liability

Particulars	Amount
Opening lease commitment disclosed as at 31 st March 2021	-
Addition during the year	668.62
Accretion of interest	51.55
Payments	(148.87)
Less: De-recognised during the financial year	-
Lease liability recognized as at 31 st March 2022	571.30

Set out below are the carrying amounts of right-to-use assets and the movements during the period:

Particulars	Amount
As at 1 st April, 2021	
Opening (Transition to Ind AS)	-
Addition during the year	668.62
Amortisation	(133.65)
Write-off	-
As at 31 st March, 2022	534.97



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

For the year ended March 31, 2022

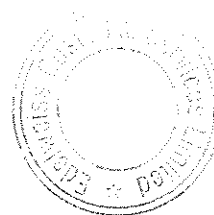
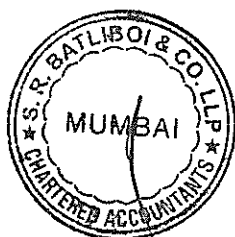
(Currency : Indian rupees in million)

2.37 Fair Values of Financial Instruments

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

Particulars	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Stock-in-trade	-	380.03	-	380.03
Total stock-in-trade	-	380.03	-	380.03
Total financial assets measured at fair value on a recurring basis	-	380.03	-	380.03

Particulars	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Stock-in-trade	-	-	-	-
Total stock-in-trade	-	-	-	-
Total financial assets measured at fair value on a recurring basis	-	-	-	-



Edelweiss Custodial Services Limited

Notes to the financial statements (Continued)

For the year ended March 31, 2022

(Currency : Indian rupees in million)

A.

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

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

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

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	-	-	226.01	-	-	-	-	-	-	-	226.01
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	30,995.52	7,112.96	-	79.79	27.55	28.04	58.06	283.52	172.70	-	38,758.14
Total undiscounted non-derivative financial liabilities	30,995.52	7,112.96	226.01	79.79	27.55	28.04	58.06	283.52	172.70	-	38,984.15

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	-	89.03	-	1.12	-	-	-	-	-	-	90.15
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	38,649.64	422.18	-	-	58.73	-	-	-	-	-	39,130.55
Total undiscounted non-derivative financial liabilities	38,649.64	511.21	-	1.12	58.73	-	-	-	-	-	39,120.70

B.

2.38 Analysis of non-derivative financial assets by remaining contractual maturities

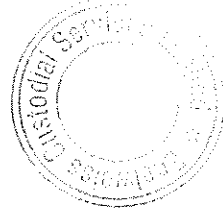
The table below summarises the maturity profile of the Group's non-derivative financial assets as at 31 March.

As at March 31, 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	35,572.32	-	-	-	-	-	-	-	-	-	35,572.32
Stock-in-trade	-	-	-	-	380.03	-	-	-	-	-	380.03
Trade receivables	4,885.31	-	-	-	-	-	-	-	-	-	4,885.31
Investments at fair value through profit or loss	-	-	-	-	-	-	-	-	240.77	-	240.77
Other financial assets	-	92.82	-	-	-	2.14	-	-	203.95	-	298.91
Total	40,257.63	92.82	-	-	380.03	2.14	-	-	444.62	-	41,177.24

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	38,105.81	-	-	-	-	-	-	-	-	-	38,105.81
Trade receivables	45.03	-	45.83	-	-	913.21	0.84	-	-	-	1,004.87
Other financial assets	2,323.24	123.42	-	-	101.31	-	0.84	22.10	-	-	2,570.91
Total	40,474.08	123.42	45.83	-	101.31	913.21	0.84	22.10	-	-	41,680.79

2.39 Financial instruments not measured at fair value

Carrying amounts of cash and cash equivalents, 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 borrowing subsequently measured at amortised cost is not significant in each of the years presented.



Edelweiss Custodial Services Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2022

(Currency: Indian rupees in million)

2.40 Cost sharing

Edelweiss Securities Limited being the Holding company incurred expenditure like branding fee, senior management cost, technology and administrative cost etc. which is for the common benefit of itself and its subsidiaries and associates. 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 Holding company for the benefit of its subsidiaries and associates are recovered by the Holding company. Accordingly, and as identified by the management, the expenditure heads in note 2.26, 2.29 and 2.31 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

Edelweiss Financial Services Limited, being the erstwhile Ultimate Holding company (till March 26, 2021) along with fellow subsidiaries incurs expenditure like Group Mediciam, insurance, rent, electricity charges 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, 2.29 and 2.31 include reimbursements paid and are net of reimbursements received based on the management's best estimate.

2.41 Risk management framework:-

a) Regulatory controls

Introduction and risk profile

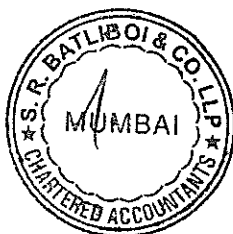
The Company's overall objective is to manage its clearing business, and the associated risks, (such as credit risk, liquidity risk, market risk, operational risk etc.) in a manner that balances serving the interests of its customers and investors and protects the safety and soundness of the Company.

The Company is regulated by SEBI & respective exchanges with special focus on trade clearing, client fund/security management, exchange & client reporting etc. The Company strives for continual improvement through efforts to enhance systemic & manual controls, ongoing employee training and development and other measures.

Risk Management Structure

The Company has a well-defined risk management process framework for risk identification, assessment and control in order to effectively manage risks associated with the various business activities. The risk function is monitored primarily by the business risk group. At the Company level, there is a 'Global Risk Group' which is responsible for managing the risks arising out of various business activities at a central level.

The Company's multi-level risk management process ensures that the margin monitoring processes withstand market volatility. As a result, the Company follows strict margin call process and limits are set and monitored on an ongoing basis.



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

(Currency: Indian rupees in million)

2.41 Risk management framework:- (Continued)

a) Regulatory controls (Continued)

The Company's board of directors have overall responsibility for the establishment and oversight of the Company's risk management framework. They are assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

Risk mitigation and risk culture

The Company's business processes ensure complete independence of functions and a segregation of responsibilities. Client introduction, client on-boarding, credit control processes, centralised operations unit, independent internal auditors for checking compliance with the prescribed policies/processes at each transaction level are all segregated. The Company's risk management processes and policies allow layers of multiple checks and verifications.

b) Approach to capital management

The primary objectives of the Company's capital management policy are to ensure that the Group complies with externally imposed capital requirements.

The Company is regulated by Securities and Exchange Board of India ("SEBI") and various Exchanges. It complies with the rules laid down by the regulator and the Exchanges.

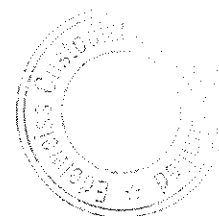
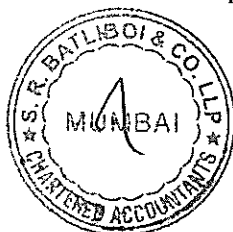
Particulars	As at 31st March 2022	As at 31st March 2021
Share holders fund + Reserve – Intangible assets (net-worth)	2,933.19	2,302.60
Debt Equity Ratio	-	-

2.42 Credit risk

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

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

The Company's financial assets are subject to the expected credit loss model are only short-term trade and other receivables. All trade receivables are expected to be collected in less than twelve months. Company applies the expected credit loss model for all financial assets and simplified approach for trade receivables for recognition of impairment loss. Expected credit loss allowance based on simplified approach in respect of receivables is computed based on a provision matrix which takes into account historical credit loss experience.



Edelweiss Custodial Services Limited

Notes to the financial statements *(continued)*

For the year ended 31 March 2022

(Currency: Indian rupees in million)

2.42 Credit risk *(Continued)*

Market risks

Risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to price risk.

The Company is a professional clearing member. The client trades as executed by broker (trading member) are settled by the Company. The client & its broker keeps sufficient margin in the form of cash, fixed deposits, bank guarantees, etc. as per the prescribed norms of the exchanges. The same is onwards kept on the respective exchanges. Margin calls are made daily in the normal course of trading hours so as to adequately cover client positions. All trades are confirmed to automated straight through process to the client and/or its custodian. Default if any devolves on either client or the custodian. Hence, there is no market risk to the Company as a professional clearing member.

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

Liquidity Risk:

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

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

- Withdrawal of cash deposits
- Either disposal of other assets or increase of leverage

Subsequent to the balance sheet date, 19,03,114 equity shares of Edelweiss Finance & Investments Limited have been pledged by Edelweiss Securities Limited for intraday facility taken from ICICI bank, (outstanding balance Nil as at May 20, 2022).

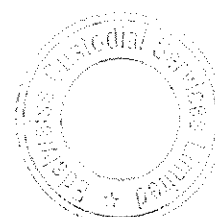
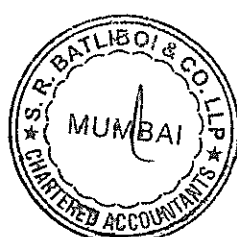
2.43 Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits

A) Defined contribution plan - Provident fund and national pension scheme

Amount of ₹10.18 million (Previous year: ₹8.85 million) is recognised as expenses in "Employee benefit expenses" – note 2.29 in the statement of profit and loss.

B) Defined benefit plan - Gratuity

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



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

(Currency: Indian rupees in million)

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

B) Defined benefit plan – Gratuity (Continued)

Statement of Profit and Loss account

Expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	2.83	3.13
Interest on defined benefit obligation	1.00	1.13
Expected return on plan assets	-	-
Net actuarial losses/(gains) recognized in the year	-	-
Past service cost	-	-
Actuarial (gains) / losses	-	-
Total included in 'Employee Benefit Expense'	3.83	4.26

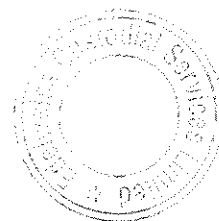
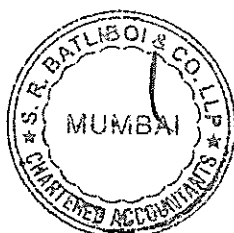
Balance Sheet

Details of provision for gratuity:

Particulars	As at 31 March 2022	As at 31 March 2021
Liability at the end of the year	23.41	23.06
Fair value of plan assets at the end of the year	-	-
Difference	-	-
Unrecognized past service cost	-	-
Unrecognized transition liability	-	-
Amount in Balance Sheet	23.41	23.06
Of which, Short term provision	5.01	4.57

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Liability at the beginning of the year	23.06	16.49
Interest cost	1.00	1.14
Current service cost	2.83	3.13
Transfer In / (Out)	(3.04)	2.74
Past service cost (vested benefit)	-	-
Benefit paid	(1.92)	(1.20)
Actuarial (gain)/loss on obligations	1.48	(0.79)
Liability at the end of the year	23.41	23.06



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

(Currency: Indian rupees in million)

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

B) Defined benefit plan – Gratuity (Continued)

Reconciliation of fair value of plan assets

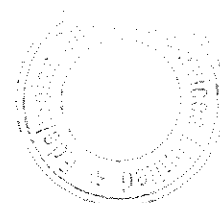
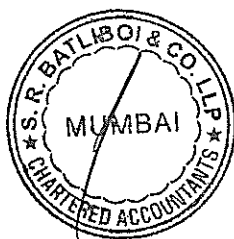
Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the start of the year	-	-
Expected return on plan assets	-	-
Contributions by employer	1.92	1.20
Benefits paid	(1.92)	(1.20)
Actuarial (loss)/gain on plan assets	-	-
Actual return on plan assets	-	-
Fair value of plan assets at the end of the year	-	-

Experience Adjustment:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019	As at 31 March 2018
Defined Benefit Obligation	23.41	23.06	16.49	12.63	7.59
Fair Value of Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(23.41)	(23.06)	(16.49)	(12.63)	(7.59)
Experience Adjustment on Plan Liabilities: (Gain) /Loss	1.86	(0.79)	(1.07)	(0.50)	0.25
Experience Adjustment on Plan Assets: Gain/ (Loss)	NA	NA	NA	NA	NA

Principle actuarial assumptions at the balance sheet date:

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate current	5.4%	5.0%
Salary escalation current	7.0%	7.0%
Employees attrition rate (based on categories)	25%	25%
Mortality Rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Expected average remaining working lives of employees	3 years	3 years



Edelweiss Custodial Services Limited

Notes to the financial statements *(continued)*

For the year ended 31 March 2022

(Currency: Indian rupees in million)

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

B) Defined benefit plan – Gratuity *(Continued)*

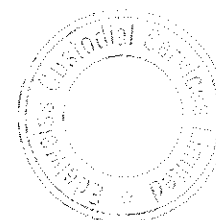
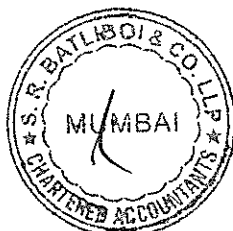
Movement on Other Comprehensive Income

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at start of year (Loss)/ Gain	(0.40)	0.36
Re-measurement on DBO	-	-
a. Actuarial (Loss)/Gain from changes in demographic assumptions	-	1.29
b. Actuarial (Loss)/Gain from changes in financial assumptions	0.38	(1.27)
c. Actuarial (Loss)/Gain from experience over the past years	(1.86)	(0.79)
Re-measurement on Plan Assets	-	-
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	-	-
Balance at the end of year (Loss)/ Gain	(1.88)	(0.40)

Sensitivity Analysis

DOB increases / (decreases) by	As at 31 March 2022	As at 31 March 2021
1 % Increase in Salary Growth Rate	0.83	0.91
1 % Decrease in Salary Growth Rate	(0.79)	(0.86)
1 % Increase in Discount Rate	(0.79)	(0.87)
1 % Decrease in Discount Rate	0.85	0.94
1 % Increase in Withdrawal Rate	(0.05)	(0.07)
1 % Decrease in Withdrawal Rate	0.05	0.07
Mortality (Increase in expected lifetime by 1 year) #	0.00	0.00
Mortality (Increase in expected lifetime by 3 year) #	0.00	0.00

Amount is less than ₹ 0.01 million



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

(Currency: Indian rupees in million)

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

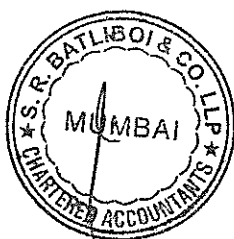
B) Defined benefit plan – Gratuity (Continued)

Movement in Surplus/(Deficit)

Particulars	As at 31 March 2022	As at 31 March 2021
Surplus/ (Deficit) at start of year	(23.07)	(16.49)
Net (Acquisition)/ Divestiture	-	-
Net Transfer (In)/ Out	3.04	(2.74)
Movement during the year		
Current Service Cost	(2.83)	(3.13)
Past Service Cost	-	-
Net interest on net DBO	(1.00)	(1.14)
Changes in Foreign Exchange Rates	-	-
Re-measurement	(1.48)	(0.77)
Contributions/ Benefits	1.91	1.20
Surplus / (Deficit) at end of year	(23.43)	(23.07)

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.

- 2.44 The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

(Currency: Indian rupees in million)

2.45 Corporate Social Responsibility (CSR)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross amount required to be spent by the Company as per the provisions of section 135 of Companies Act, 2013	30.30	25.30
Amount spent (paid in cash)		
i) Construction / acquisition of any assets	Nil	Nil
ii) On purpose other than (i) above *	30.30	25.30
Amount spent (yet to be paid in cash)		
i) Construction / acquisition of any assets	-	-
ii) On purpose other than (i) above	-	-
Amount paid to EdelGive Foundation	30.10	25.30

* The amount spent towards corporate social responsibility as mentioned above has been incurred towards various project in the area of Women Empowerment and Education.

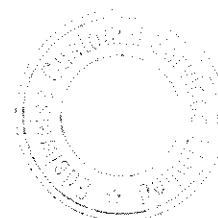
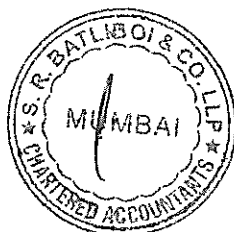
2.46 Margin received from clients

Particulars	As at March 31, 2022	As at March 31, 2021
Cash margin	30,479.11	38,488.88
Non-cash margin		
- Securities*	74,130.41	50,523.09
- Fixed Deposits	22.42	2,926.84
- Bank guarantees	57.50	322.40
Total non-cash margin	74,210.33	53,772.33
Total margin received	104,689.44	92,261.22

*Includes the following:

a) Securities assigned under the "margin pledge" created in favour of the Company as non-cash margin from the clients in accordance with the SEBI circular no. SEBI/HO/MIRSD/DOP/CIR/P/2020/28 "Margin obligations to be given by way of Pledge/Repledge in the Depository System" applicable effectively from September 01, 2020 and

c) Securities received as non-cash margin from clients lying in the client demat account of the Company for disputed cases.



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

(Currency: Indian rupees in million)

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

The outbreak of COVID - 19 pandemic has affected several countries across the world, including India. The Government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors. Further, while the COVID-19 vaccination efforts have gained momentum, uncertainty due to the resurgence of COVID cases across many parts of India is rising. The extent to which COVID-19 pandemic will impact the Company, if any, depends on future spread of the virus and related developments, which are uncertain at this point of time. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company. The Company's management is of the view that there is no material impact of the pandemic on its operations and its assets as at March 31, 2022.

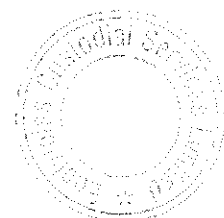
2.48 Discontinued Operations

The Company had entered into an agreement dated March 17, 2021 with Edelweiss Capital Services Limited, an associate entity, to slump sell its business of being a custodian of securities and designated depository participant, and securities lending and borrowing ('Transfer business'), for consideration as defined in the said slump sale has been effected as at June 18, 2021.

Basis above, the Company had classified net assets as at March 31, 2021, pertaining to the Transfer business as 'Assets held for sale' in accordance with IND AS 105. Correspondingly, the profit & loss and cash flows pertaining to the Transfer business have been presented as 'Profit/loss from discontinued operations' and 'Cash flows from discontinued operations' respectively. Corresponding re-presentation has also been made for prior periods presented in the statement of profit & loss and in the statement of Cash flows.

The details of Profit/loss from discontinued operations is as below –

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations		
(a) Interest income	0.35	112.37
(b) Fee and commission income	41.04	196.21
Total Revenue from operations	41.39	308.58
Total Income	41.39	308.58
Expenses		
(a) Finance costs	-	42.41
(b) Employee benefits expense	23.78	68.77
(c) Impairment on financial instruments	-	0.50
(d) Other expenses	14.13	92.39
Total Expenses	37.91	204.07
Profit before tax	3.48	104.51
Tax expenses	0.88	26.30
Profit after tax	2.60	78.20



Edelweiss Custodial Services Limited

Notes to the financial statements (continued)

For the year ended 31 March 2022

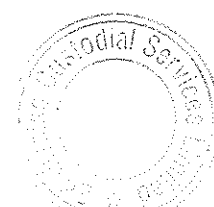
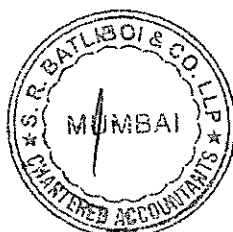
(Currency: Indian rupees in million)

2.48 Discontinued Operations (Continued)

The details of net assets of transfer business is as below -

Particulars	As at March 31, 2022	As at March 31, 2021
ASSETS		
Financial assets		
(a) Cash and cash equivalents	-	323.94
(b) Bank balances other than cash and cash equivalents	-	214.30
(c) Receivables		
(i) Trade receivables	-	35.24
(ii) Other receivables	-	-
(d) Other financial assets	-	151.66
Total financial assets	-	725.14
Non-financial assets		
(a) Property, Plant and Equipment	-	1.78
(b) Other Intangible assets	-	34.32
Total non-financial assets	-	36.10
TOTAL ASSETS	-	761.24

LIABILITIES	As at March 31, 2022	As at March 31, 2021
Financial liabilities		
(a) Payables		
(i) Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	331.79
(b) Other financial liabilities	-	319.15
Total financial liabilities	-	650.94
Non-financial liabilities		
(a) Other non-financial liabilities	-	9.00
Total non-financial liabilities	-	9.00
TOTAL LIABILITIES	-	659.94
NET ASSETS	-	101.30



Edelweiss Custodial Services Limited

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

2.49 Ratio analysis and its elements

Particular	As at / for the year ended March 31, 2022	As at / for the year ended March 31, 2021	Remarks (> 25% <)
Current ratio (refer note 1)	1.05	1.00	No major variance
Return on Equity ratio (refer note 2)	10.06	16.80	Profit decreased in current year
Return on Capital Employed (refer note 3)	0.48	0.81	Commission & brokerage expense and legal & professional fees increased in current year
Return on Investment (refer note 4)	0.02	-	Investment made in current year

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 networth (Net-worth - intangible assets) + Total Debt + Deferred Tax Liability
4. Return on investment = interest income / investment

2.50 Transactions with Struck off Companies

March 31, 2022					
Name of the struck off company	Nature of transactions with struck off company	Transaction value	Balance outstanding	Relationship with the struck off company, if any, to be disclosed	
Writer Business Services Pvt Ltd	Availed warehouse services	0.04		Nil Vendor	
Moneyflo Securities Pvt Ltd.	Client for clearing service	Nil	(0.20)	Client	
Bulls & Bears (Brokers) Ltd.	Client for clearing service	Nil	0.04	Client	

March 31, 2021					
Name of the struck off company	Nature of transactions with struck off company	Transaction value	Balance outstanding	Relationship with the struck off company, if any, to be disclosed	
Writer Business Services Pvt Ltd	Availed warehouse services	0.05		Nil Vendor	
Moneyflo Securities Pvt Ltd.	Client for clearing service	Nil	(0.20)	Client	
Bulls & Bears (Brokers) Ltd.	Client for clearing service	Nil	0.04	Client	



Edelweiss Custodial Services Limited

Notes to the financial statements (*continued*)

For the year ended 31 March 2022

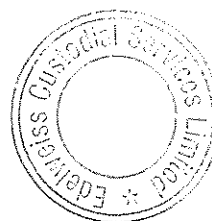
(Currency: Indian rupees in million)

2.51 Others statutory information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - 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.
- (v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - 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,
- (vi) The Company does not have 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

2.52 Rounded off

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



Edelweiss Custodial Services Limited

Notes to the financial statements *(continued)*

For the year ended 31 March 2022

(Currency: Indian rupees in million)

2.53 Previous year comparatives

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

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005



Shrawan Jalan

Partner

Membership No: 102102

For and on behalf of the Board of Directors



Udit Sureka

Executive Director

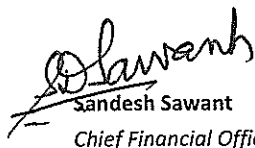
DIN : 02190342



Shiv Sehgal

Director

DIN : 07112524



Sandesh Sawant

Chief Financial Officer

Mumbai

May 20, 2022

Mumbai

May 20, 2022

