

Edelweiss Securities (Hong Kong) Private Limited

Financial Statement for the year ended March 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Edelweiss Securities (Hong Kong) Private Limited

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of Edelweiss Securities (Hong Kong) Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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 Special Purpose 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 Special Purpose Financial Statements in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India ("the ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013, as amended ("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 Special Purpose Financial Statements.

Other Information

This being a foreign, the requirement regarding reporting on Other Information clause is not applicable to the Company.

Responsibility of Management for the Special Purpose Financial Statements

The Company's Board of Directors is responsible for the preparation of these Special Purpose 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 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the Special Purpose 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 Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Special Purpose 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 Special Purpose 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. 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 Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose 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.



Other Matter

This report is issued at the request of the Company and is intended solely for the information and use of the Edelweiss Securities Limited ('Ultimate Holding Company' or 'ESL'), for the purpose of presentation of its consolidated audited financial statements for the year ended March 31, 2022 and for the use of S.R. Batliboi & Co. LLP (the current statutory auditor of ESL) in conjunction with the audit of consolidated financial statements and is not intended to be and should not be used for any other purpose.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in Paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, since the Company is a foreign company, the reporting requirements are not applicable to it.
2. As required for the purpose of Special purpose financial statements, 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 special purpose 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) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these special purpose financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
 - (f) As informed to us, the Company being an foreign company, the requirement for provisions of section 197(16) of the Companies Act, 2013 are not applicable;
 - (g) With respect to the other matters to be included in the Auditor's Report in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 2.34(v) to the Special Purpose financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded



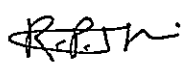
in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 2.34(vi) to the Special Purpose financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

iv. No dividend has been declared or paid during the year by the Company.

For NGS & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 119850W


R.P.Soni
Partner
Membership No. 104796



UDIN: 22104796AJEWEL7706

Place: Mumbai
Date: May 18, 2022

Annexure A
Report on the Internal Financial Controls

We have audited the internal financial controls with reference to special purpose financial statements of Edelweiss Securities (Hong Kong) Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the special purpose 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these special purpose 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, 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 special purpose 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 special purpose financial statements and their operating effectiveness. Our audit of internal financial controls with reference to special purpose financial statement included obtaining an understanding of internal financial controls with reference to these special purpose 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 special purpose financial statements.



Meaning of Internal Financial Controls with reference to these Special Purpose Financial Statements

A Company's internal financial controls with reference to special purpose 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 special purpose 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Special Purpose Financial Statements

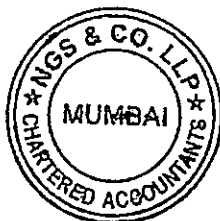
Because of the inherent limitations of internal financial controls with reference to these special purpose financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to special purpose financial statements to future periods are subject to the risk that the internal financial control with reference to special purpose 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 special purpose financial statements and such internal financial controls with reference to special purpose 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 ICAI.

For NGS & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 119850W


R.P.Soni
Partner
Membership No. 104796



UDIN: 22104796AJEWEL7706

Place: Mumbai
Date: May 18, 2022

Edelweiss Securities (Hong Kong) Private Limited

Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Financial assets			
Cash and cash equivalents	2.1	6,39,88,045	5,41,32,126
Trade receivables	2.2	77,51,708	1,30,26,982
Other financial assets	2.3	5,95,219	5,77,300
		<u>7,23,34,972</u>	<u>6,77,36,408</u>
Non-financial assets			
Property, Plant and Equipment	2.4	72,130	1,54,216
Other non- financial assets	2.5	7,57,255	13,63,787
		<u>8,29,385</u>	<u>15,18,003</u>
TOTAL ASSETS		<u>7,31,64,357</u>	<u>6,92,54,411</u>
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	2.6	33,40,100	1,30,78,659
Other financial liabilities	2.7	1,38,42,056	71,00,000
		<u>1,71,82,156</u>	<u>2,01,78,659</u>
Non-financial liabilities			
Current tax liabilities (net)	2.8	8,85,107	-
Provisions	2.9	2,75,344	1,17,966
Other non-financial liabilities	2.10	58,850	56,830
		<u>12,19,301</u>	<u>1,74,796</u>
EQUITY			
Equity share capital	2.11	11,95,06,484	11,95,06,484
Other equity	2.12	(6,47,43,584)	(7,06,05,528)
		<u>5,47,62,900</u>	<u>4,89,00,956</u>
TOTAL LIABILITIES AND EQUITY		<u>7,31,64,357</u>	<u>6,92,54,411</u>

Significant accounting policies and notes forming part of the financial

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

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W

R. P. Soni
Partner
Membership No.: 104796

Mumbai
18 May 2022



1 & 2

For and on behalf of the Board of Directors

Philip Yin Loong Cheung
Director

Shiv Sehgal
Director

18 May 2022



Edelweiss Securities (Hong Kong) Private Limited

Statement of Profit and Loss

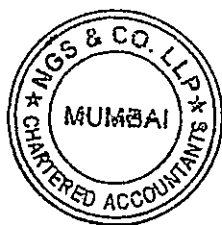
(Currency: Indian rupees)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue from operations			
Interest income			
Fee and commission income	2.13	712	646
Total Income	2.14	6,93,03,937	8,22,10,322
Expenses			
Finance costs			
Employee benefits expense	2.15	2,15,424	1,80,818
Depreciation, amortisation and impairment	2.16	4,88,35,892	4,23,99,716
Other expenses	2.4	85,214	1,74,530
Total expenses	2.17	1,49,99,150	3,21,50,625
Profit before tax		6,41,35,680	7,49,05,689
Tax expenses		51,68,969	73,05,279
Current tax			
(1) Current tax		8,68,295	-
(2) Short / (Excess) provision for earlier years		3,24,908	-
Profit for the year		5,43,387	-
Other comprehensive income			
Items that will be reclassified to profit or loss			
Foreign Exchange Translation Reserve - OCI			
Other comprehensive income		15,61,270	(9,31,533)
Total comprehensive income		15,61,270	(9,31,533)
Earnings per equity share (Face value of HKD 1 each);			
Basic and diluted		58,61,944	63,73,746
Significant accounting policies and notes forming part of the financial statement	2.18	0.32	0.54

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

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

R. P. Soni
Partner
Membership No.: 104796
Mumbai
18 May 2022



For and on behalf of the Board of Directors

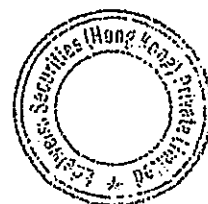
Philip Yin Loong Cheung

Philip Yin Loong Cheung
Director

Shiv Sehgal

Shiv Sehgal
Director

18 May 2022



40

Edelweiss Securities (Hong Kong) Private Limited

Statement of changes in Equity

(Currency Indian rupees)

A. Equity share capital

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	11,95,06,484	11,95,06,484
Changes in equity share capital (refer note 2.11)	-	-
Balance at the end of the year	11,95,06,484	11,95,06,484

B. Other Equity

	Reserve and surplus	Other comprehensive income	Total
	Retained earnings	Foreign Exchange Translation Reserve	
Balance at 31 March 2020 (Ind AS)	(7,88,22,213)	18,42,939	(7,69,79,274)
Profit for the year	73,05,279	-	73,05,279
Other comprehensive income	-	(9,31,533)	(9,31,533)
Total Comprehensive Income for the year	73,05,279	(9,31,533)	63,73,746
Balance at 31 March 2021 (Ind AS)	(7,15,16,934)	9,11,406	(7,06,05,528)
Profit for the year	43,00,674	-	43,00,674
Other comprehensive income	-	15,61,270	15,61,270
Total Comprehensive Income for the year	43,00,674	15,61,270	58,61,944
Balance at 31 March 2022 (Ind AS)	(6,72,16,260)	24,72,676	(6,47,43,584)

Retained earnings

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

Foreign exchange translation reserve

The functional currency of the Company is Hong Kong Dollars. These financial statements are prepared and presented in INR which is the functional currency of the Holding Entity, for the purpose of consolidation. Foreign Exchange Translation reserve represents the exchange difference arising on translation difference arising on conversion of financial statements from functional currency to the presentation currency.

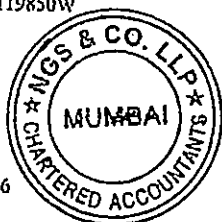
This is the Statement of changes in equity referred to in our report of even date.

For NGS & Co. LLP
Chartered Accountants

Firm Registration No.: 119850W

R. P. Soni
Partner
Membership No.: 104796

Mumbai
18 May 2022



For and on behalf of the Board of Directors

Phillip Yin Loong Cheung
Director

Shiv Sehgal
Director

18 May 2022



40

Edelweiss Securities (Hong Kong) Private Limited

Cash Flow Statement

(Currency: Indian Rupees)

	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flow from operating activities		
Profit before tax	51,68,969	73,05,279
Adjustments for:		
Depreciation and amortisation expenses	85,214	1,74,530
Provision for employee benefits	1,48,833	11,68,470
Operating cash flow before working capital changes	54,03,016	73,11,339
Adjustments for:		
Decrease/ (increase) in trade receivables	56,79,700	(1,30,27,017)
Decrease/ (increase) in Other non-financial assets	6,48,882	(9,33,615)
(Decrease) / increase in trade payables	(1,01,44,540)	1,08,47,727
Increase in other financial liabilities	65,21,716	70,99,966
Increase/ (decrease) in other non-financial liabilities	191	(23,746)
Cash generated in operations	81,08,965	1,12,74,654
Income taxes paid (net of refund)	-	-
Net cash generated in operating activities - A	81,08,965	1,12,74,654
B Cash flow from Investing activities		
Purchase of property, plant and equipment and intangible assets	-	(72,841)
Net cash used in investing activities - B	-	(72,841)
C Cash flow from financing activities		
Proceeds from issue of shares including premium and share application money (net of issue expenses)	-	-
Net cash generated from financing activities - C	-	-
D Change in foreign exchange translation reserve - D	17,46,954	(9,68,684)
Net increase in cash and cash equivalents (A+B+C+D)	98,55,919	1,02,33,129
Cash and cash equivalents as at the beginning of the year	5,41,32,126	4,38,98,997
Cash and cash equivalents as at the end of the year (refer note 2.1)	6,39,88,045	5,41,32,126

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

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

R. P. Soni
Partner
Membership No.: 104796

Mumbai
18 May 2022



For and on behalf of the Board of Directors

Philip Yin, Loong Cheung
Director

Shiv Sehgal
Director

18 May 2022



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1. Significant accounting policies

1.1 Company background

Edelweiss Securities (Hong Kong) Private Limited ('the Company') was incorporated on 6 February 2013. The company is a 100% subsidiary of Edelweiss Securities Limited.

1.2 Basis of preparation of financial statements

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

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

The entity being a foreign Company, the assets and liabilities for the purpose of preparation of these financial statements, are translated into Indian Rupees at the rate of exchange prevailing as at the Balance Sheet date. Further, revenue and expense are translated into Indian Rupees at the daily exchange rate prevailing during the year and the resulting net translation adjustment has been disclosed as "Foreign Exchange Translation Reserve" in "Statement of Changes in Equity". The same is in compliance with Indian Accounting Standard (Ind AS) 21 issued by the Institute of Chartered Accountants of India on "The Effects of Changes in Foreign Exchange Rates".

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

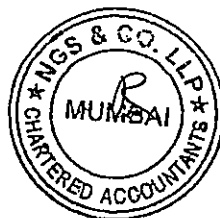
The outbreak of COVID - 19 pandemic has affected several countries across the world, including India. The Government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors. Further, while the COVID-19 vaccination efforts have gained momentum, 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.

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

1.3 Presentation of financial statements

These financial statements are Special Purpose Indian Accounting Standards (Ind-AS) Financial Statement prepared for the purpose of preparation of consolidated financial statements for the year ended 31 March 2022 for Edelweiss Securities Limited Reporting (Holding Company) for its reporting of Consolidated audited financial results under Ind-AS Division III of Schedule III of the Companies Act, 2013 ("the Act").

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 2.20



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1.3 Presentation of financial statements (Continued)

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

1.4 Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs.

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when the Company satisfies a performance obligation.

- Interest income is recognised on accrual basis of accounting.

1.5 Financial Instruments

Date of recognition

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

Initial measurement of financial instruments

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



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1.5 Financial Instruments (Continued)

Classification of financial instruments

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

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

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

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

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

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

Amortised 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.



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1.5 Financial Instruments (Continued)

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 and loss

Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109.

Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure

Investment in equity instruments

The Company subsequently measures all equity investments (other than subsidiaries) at fair value through profit and 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 cost, as permitted under Ind AS 27.

Financial liabilities

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

Debt securities and other borrowed funds

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

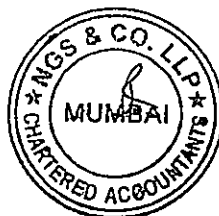
As per Ind AS 23, The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

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 Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

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.

Derecognition of financial assets and financial liabilities

A transfer only qualifies for derecognition if either:

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

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

Derecognition of financial liabilities

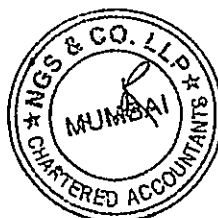
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such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

Impairment of financial assets

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

Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed.



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1.5 Financial Instruments (Continued)

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.

Determination of fair value

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

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

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

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

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



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1.5 Financial Instruments (Continued)

Determination of fair value (Continued)

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 for 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.

1.6 Property, plant and equipment and capital work in progress

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 statement of profit and 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
Computers and data processing units – End user devices, such as desktops, laptops etc.	3 years



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1.7 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 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.

1.9 Foreign currency transactions

The financial statements are presented in Indian Rupees which is also functional currency is in HKD. 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.

1.10 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.



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1.10 Income tax expenses (Continued)

Deferred tax (Continued)

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

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

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

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

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

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

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

1.11 Earnings per share

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

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



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1.12 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.

1.13 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.

1.14 Retirement and other employee benefit:

Provident fund and national pension scheme

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

Compensated Absences

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



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1.15 Operating Leases:

Company as a lessee:

The Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract is or contains lease

Measurement and recognition

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or at the incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short term lease

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

In the comparative period, as a lessee the Company classified leases that transfer substantially all the risk and reward of ownership as finance leases. Assets held under other leases are classified as operating lease and were not recognised in Company Balance sheet. Payments made under operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred

Company as lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2022

(Currency : Indian rupees)

1.16 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services that are granted by the Holding Company are measured by reference to the fair value of the equity instruments at the grant date.

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 'Share Option 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.

1.17 Standards issued but not yet effective

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



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.1 Cash and cash equivalents

Balances with banks
- in current accounts

As at
31 March 2022

As at
31 March 2021

6,39,88,045

5,41,32,126

6,39,88,045

5,41,32,126

2.2 Trade receivables

Trade receivables
Receivables considered good - Unsecured

77,51,708

1,30,26,982

77,51,708

1,30,26,982



Edchweis Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.2 Trade receivables (Continued)

Particulars	31 March 2022	31 March 2021
Receivables considered good - Unsecured	77,51,708	1,30,26,982
Less: Allowance for expected credit losses	77,51,708	1,30,26,982
	77,51,708	1,30,26,982

Provision matrix for trade receivables

Trade receivables days past due	Current	1-90 days	91-180 days	181-360 days	more than 360 days	Total
31 March 2022						
Estimated total gross carrying amount at default	-	77,51,708	-	-	-	77,51,708
Net carrying amount	-	77,51,708	-	-	-	77,51,708
31 March 2021						
Estimated total gross carrying amount at default	-	1,30,26,982	-	-	-	1,30,26,982
Net carrying amount	-	1,30,26,982	-	-	-	1,30,26,982

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						
Undisputed Trade receivables - considered good	77,51,708	-	-	-	-	77,51,708
Gross receivables (A)	77,51,708	-	-	-	-	77,51,708
Undisputed Trade receivables - considered good	-	-	-	-	-	-
Total ECL Provision on receivables (B)	-	-	-	-	-	-
Total receivables net of provision = (A)-(B)	77,51,708	-	-	-	-	77,51,708

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						
Undisputed Trade receivables - considered good	1,30,26,982	-	-	-	-	1,30,26,982
Gross receivables (A)	1,30,26,982	-	-	-	-	1,30,26,982
Undisputed Trade receivables - considered good	-	-	-	-	-	-
Total ECL Provision on receivables (B)	-	-	-	-	-	-
Total receivables net of provision = (A)-(B)	1,30,26,982	-	-	-	-	1,30,26,982



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.3 Other financial assets
Security Deposits

	As at 31 March 2022	As at 31 March 2021
	5,95,219	5,77,300
	<u>5,95,219</u>	<u>5,77,300</u>



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

2.4 Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at 01 April 2021	Additions during the year	Other adjustments (as applicable)	As at 31 March 2022	As at 01 April 2021	Charge for the year	Other adjustments (as applicable)	As at 31 March 2022	As at 31 March 2022
Property, Plant and Equipment									
Computers	3,53,939	-	10,986	3,64,925	1,99,723	85,214	7,858	2,92,795	72,130
Total	3,53,939	-	10,986	3,64,925	1,99,723	85,214	7,858	2,92,795	72,130

2.4 Property, Plant and Equipment

Description of Assets	Gross Block				Accumulated Depreciation and Impairment				Net Block
	As at 01 April 2020	Additions during the year	Other adjustments (as applicable)	As at 31 March 2021	As at 01 April 2020	Charge for the year	Other adjustments (as applicable)	As at 31 March 2021	As at 31 March 2021
Property, Plant and Equipment									
Computers	2,88,281	71,985	(6,327)	3,53,939	26,991	1,74,530	(1,798)	1,99,723	1,54,216
Total	2,88,281	71,985	(6,327)	3,53,939	26,991	1,74,530	(1,798)	1,99,723	1,54,216



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.5 Other non-financial assets

Prepaid expenses
Vendor advances

As at
31 March 2022

As at
31 March 2021

6,53,077	12,57,265
1,04,178	1,06,522
<u>7,57,255</u>	<u>13,63,787</u>



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

2.6 Trade payables

Trade payables to non-related parties
Trade payables to related parties

As at
31 March 2022

As at
31 March 2021

28,21,000
5,19,100

1,30,31,510
47,149

33,40,100
1,30,78,659

Trade payables due for payment

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2022					
(i) MSME					
(ii) Others	-	-	-	-	-
(iii) Disputed dues-MSME	33,40,100	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	33,40,100
Total	-	-	-	-	-
	33,40,100	-	-	-	33,40,100

Trade payables due for payment

Particulars	Outstanding for following periods from date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2021					
(i) MSME					
(ii) Others	-	-	-	-	-
(iii) Disputed dues-MSME	1,30,78,659	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	1,30,78,659
Total	-	-	-	-	-
	1,30,78,659	-	-	-	1,30,78,659

2.7 Other financial liabilities

Accrued salaries and benefits

1,38,42,056
71,00,000

1,38,42,056
71,00,000

2.8 Current tax liabilities (net)

Provision for taxation

8,85,107
-

8,85,107
-

2.9 Provisions

Provision for employee benefits
Compensated leave absences

2,75,344
1,17,966

2,75,344
1,17,966

2.10 Other non-financial liabilities

Others

Withholding taxes, Goods & service tax and other taxes payable

58,850
56,830

58,850
56,830



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2022	As at 31 March 2021
2.11 Equity share capital		
(a) Issued, Subscribed and Paid up:		
13,623,767 (Previous year: 13,623,767) ordinary shares of HKD 1 each, fully paid-up	<u>11,95,06,484</u> <u>11,95,06,484</u>	<u>11,95,06,484</u> <u>11,95,06,484</u>

(The entire capital is held by Edelweiss Securities Limited, the holding company, which is turn is wholly owned subsidiary of Edelweiss Global Wealth Management Limited)

(b) Movement in share capital :

	31 March 2022		31 March 2021	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	1,36,23,767	11,95,06,484	1,36,23,767	11,95,06,484
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>1,36,23,767</u>	<u>11,95,06,484</u>	<u>1,36,23,767</u>	<u>11,95,06,484</u>

(c) Terms/rights attached to equity shares :

The Company has only one class of ordinary shares. Each holder of ordinary shares is entitled to one vote per share held. The Company declares and pays dividend in Hong Kong Dollar. In the event of liquidation of the Company, the holders of ordinary shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

Shares held by promoters at the end of the year

	31 March 2022			31 March 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	1,36,23,767	100%	-	1,36,23,767	100%	-
	<u>1,36,23,767</u>	<u>100%</u>	<u>-</u>	<u>1,36,23,767</u>	<u>100%</u>	<u>-</u>

2.12 Other equity

	As at 31 March 2022	As at 31 March 2021
Foreign Exchange Translation Reserves	9,11,406	18,42,939
Add : Additions during the year	<u>15,61,270</u> <u>24,72,676</u>	<u>(9,31,533)</u> <u>9,11,406</u>
Opening Balance	(7,15,16,934)	(7,88,22,213)
Add: Profit for the year	<u>43,00,674</u> <u>(6,72,16,260)</u>	<u>73,05,279</u> <u>(7,15,16,934)</u>
Amount available for appropriation	<u>(6,47,43,584)</u>	<u>(7,06,05,528)</u>



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2022	for the year ended 31 March 2021
2.13 Interest Income		
Bank Interest	712	646
	<u>712</u>	<u>646</u>
2.14 Fee income		
Advisory and other fees (refer note 2.33)	6,93,03,937	8,22,10,322
	<u>6,93,03,937</u>	<u>8,22,10,322</u>



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

for the year ended
31 March 2022

for the year ended
31 March 2021

2.15 Finance costs

Financial and bank charges

2,15,424

1,80,818

2,15,424

1,80,818

2.16 Employee benefit expenses

Salaries and wages

4,73,51,053

4,19,00,227

Contribution to provident and other funds (refer note 2.32)

3,43,719

3,49,878

Employee Stock Purchase Plan (ESPP) (refer note below)

5,15,768

-

Staff welfare expenses

6,25,352

1,49,611

4,88,35,892

4,23,99,716

Note:-

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 Rs 5,15,768 for the year ended March 31, 2022 based on fair value as on the grant date calculated as per option pricing model.

2.17 Other expenses

Advertisement and business promotion

7,83,382

14,01,156

Auditors' remuneration (refer note below)

16,25,417

16,46,989

Communication

6,70,438

9,55,496

Legal and professional fees

24,60,134

2,20,37,276

Printing and stationery

16,200

4,342

Rent (refer note 2.30a)

45,31,041

46,81,992

Foreign exchange loss (net)

21,98,653

2,52,607

Computer expenses

4,26,013

4,54,854

Membership and subscription

22,63,721

3,75,409

Office expenses

-

3,22,027

Postage and courier

4,789

10,342

Travelling and conveyance

19,362

8,135

1,49,99,150

3,21,50,625

Auditors' remuneration:

16,25,417

16,29,902

As Auditors

-

17,087

Towards reimbursement of expenses

16,25,417

16,46,989



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.18 Earnings per share

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

Sr No	Particulars	31 March 2022	31 March 2021
a)	Net Profit attributable to Shareholders (as per statement of profit and loss)	43,00,674	73,05,279
b)	Calculation of weighted average number of ordinary Shares of HKD 1/- each :		
	- Number of shares at the beginning of the year		
	- Shares issued during the year (number of shares issued)	1,36,23,767	1,36,23,767
	Total number of ordinary shares outstanding at the end of the year (based on the date of issue of shares)	-	-
	Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	1,36,23,767	1,36,23,767
		-	-
	Value per share in HKD		
		1	1
c)	Basic and diluted earnings per share (in Rupees) (a/b)	0.32	0.54

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



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.19a Income Tax

The components of income tax expense for the year are:

Particulars	31 March 2022	31 March 2021
Current tax	3,24,908	-
Adjustment in respect of current income tax of prior years	5,43,387	-
Total tax charge	8,68,295	-
Current tax	8,68,295	-

2.19b Reconciliation of total tax charge

Particulars	31 March 2022	31 March 2021
Accounting profit before tax as per financial statements	51,68,969	73,05,279
Tax rate (in percentage)	8.25%	
Income tax expense calculated based on this tax rate	4,26,440	-
Adjustment in respect of current income tax of prior years	5,43,387	-
Others* (One time relief under HK tax)	(96,779)	
Others* (Adjustment of previous year tax and exchange rate differences)	(4,753)	-
Tax charge for the year recorded in statement of profit and loss	8,68,295	-

Break-up of recognition of current tax	31 March 2022	31 March 2021
In statement of profit and loss	8,68,295	-



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.20 Maturity analysis of assets and liabilities

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

Particulars	31 March 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	6,39,88,045	-	6,39,88,045	5,41,32,126	-	5,41,32,126
Trade receivables	77,51,708	-	77,51,708	1,30,26,982	-	1,30,26,982
Other financial assets	5,95,219	-	5,95,219	5,77,300	-	5,77,300
	7,23,34,972	-	7,23,34,972	6,77,36,408	-	6,77,36,408
Non-financial assets						
Property, plant and equipment	-	72,130	72,130	-	-	-
Other non-financial assets	7,57,255	-	7,57,255	13,63,787	1,54,216	1,54,216
	7,57,255	72,130	8,29,385	13,63,787	-	13,63,787
Total assets (A)	7,30,92,227	72,130	7,31,64,357	6,91,00,195	1,54,216	6,92,54,411

Particulars	31 March 2022			31 March 2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Trade payables	33,40,100	-	33,40,100	1,30,78,659	-	1,30,78,659
Other financial liabilities	1,38,42,056	-	1,38,42,056	71,00,000	-	71,00,000
	1,71,82,156	-	1,71,82,156	2,01,78,659	-	2,01,78,659
Non-financial liabilities						
Current tax liabilities (net)	8,85,107	-	8,85,107	-	-	-
Provisions	68,198	2,07,146	2,75,344	30,037	87,929	1,17,966
Other non-financial liabilities	58,850	-	58,850	56,830	-	56,830
	10,12,155	2,07,146	12,19,301	86,867	87,929	1,74,796
Total liabilities (B)	1,81,94,311	2,07,146	1,84,01,457	2,02,65,526	87,929	2,03,53,455
Net assets (A-B)	5,48,97,916	(1,35,016)	5,47,62,900	4,88,34,669	66,287	4,89,00,956



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements *(Continued)*

For the year ended 31 March 2022

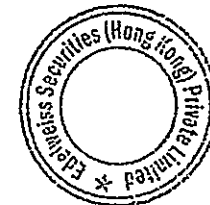
(Currency: Indian rupees)

2.21 Segment reporting

The Company has operated in only one business segment during the year. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Further, there are no geographical segments. Hence, no disclosures are required under Indian Accounting Standard (Ind AS) 108 on Segment Reporting.

2.22 Disclosure as required by Indian Accounting Standard (Ind AS) 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
PAGAC Easasy Pte Limited (W.e.f. 27th March 2021)
Edelweiss Financial Services Limited (Upto 26th March 2021)
- (B) Holding company
Edelweiss Securities Limited
- (C) Names of related parties who exercise significant influence over the holding Company
Edelweiss Financial Services Limited (W.e.f. 27th March 2021)
- (D) Subsidiaries of Entity exercising significant influence with whom the Company has transactions
W.e.f. 27 March 2021
Edelweiss Custodial Services Limited
- (E) Names of key managerial personnel (KMP)
Philip Yin Loong Cheung
Sumit Syal
Dilipkumar Sahu
Shiv Sehgal



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency: Indian rupees)

2.22 Disclosure as required by Indian Accounting Standard (Ind AS) 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)

(F) Transactions and balances with related parties

Sr No	Particulars	31 March 2022					31 March 2021				
		Ultimate holding company	Holding Company	Entities who exercises significant influence over holding company	Fellow Subsidiaries	Subsidiaries/ Associated JV or Entity exercising significant influence	KMP	Ultimate holding company	Holding Company	Entities who exercises significant influence over holding company	KMP
(i)	Current account transactions during the year										
	Fee income earned from										
	Edelweiss Securities Limited	-	2,76,09,940	-	-	-	-	-	8,22,10,322	-	-
	Edelweiss Custodial Services Limited	-	-	-	-	4,16,03,997	-	-	-	-	-
	Insurance expenses paid to										
	Edelweiss Financial Services Limited	-	-	-	-	-	-	-	-	-	-
	Edelweiss Securities Limited	-	-	-	-	-	-	42,895	-	-	-
	Insurance expenses recovered from										
	Edelweiss Financial Services Limited	-	-	16,044	-	-	-	-	4,300	-	-
	Cost reimbursements paid to										
	Edelweiss Securities Limited	-	5,15,768	-	-	-	-	-	-	-	-
	Remuneration paid to (refer note below)										
	Philip Yin Loong Chung	-	-	-	-	-	-	-	-	-	-
	Sandip Syal	-	-	-	-	-	1,43,05,146	-	-	-	-
(ii)	Balances with related parties						2,62,88,065	-	-	-	1,23,92,320
	Trade receivable from										
	Edelweiss Securities Limited	-	31,00,683	-	-	-	-	-	-	-	-
	Edelweiss Custodial Services Limited	-	-	-	-	46,31,025	-	-	1,30,26,982	-	-
	Trade payable to										
	Edelweiss Financial Services Limited	-	-	-	-	-	-	-	-	-	-
	Edelweiss Securities Limited	-	5,19,100	-	-	-	-	-	42,849	-	-
									4,300	-	-

Note:-
Information relating to compensation of directors

Note 2:

Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and leave encashment 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.



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.23 Capital commitments and contingent liabilities

The Company has Rs. Nil (previous year: Nil) capital commitments and contingent liabilities as at the balance sheet date.

2.24 Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

At the reporting date, there was no significant concentration of credit risk. The maximum credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Cash at bank are held with reputable financial institutions.

Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

Market risk

Price risk is the risk that the value of a financial instrument will fluctuate due to change in market prices whether those changes are caused by factors specific to the individual security on its issuer or factors affecting all securities traded in the market.

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.24 Financial risk management (Continued)

Foreign currency risk (Continued)

The company invests in financial instruments and enters into transactions that are denominated in currencies other than its functional currency, primarily in USD. Consequently, the investments are exposed to risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value of future cash flows of that portion of the financial assets or liabilities denominated in currencies other than the United States dollars.

The currency risk is managed on a daily basis by the business and risk team in accordance with policies and procedures in place, and some investment transactions have been hedged by a forward currency exchange contract. The risk monitors the movement and highlights the same to the business. The measurement of the forward currency exchange contract would be calculated by broker based on actively quoted forward exchange rates. Further, the middle office sends a report on a daily basis to business and risk teams which contains currency position and exposure. Based on these reports, the business monitors risk and takes necessary action.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.25 A) - Analysis of non-derivative financial liabilities by remaining contractual maturities

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Company expects that the counterparties will not request repayment on the earliest date it could be required to pay. The table below summarises the maturity profile of the undiscounted cash flows of the Company's non-derivative financial liabilities:

As at 31 March 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	11,56,902	-	5,21,521	16,61,677	-	-	-	-	33,40,100
Other financial liabilities	-	-	-	-	1,38,42,056	-	-	-	-	-	1,38,42,056
Total undiscounted non-derivative financial liabilities	-	-	11,56,902	-	1,43,63,577	16,61,677	-	-	-	-	1,71,82,156

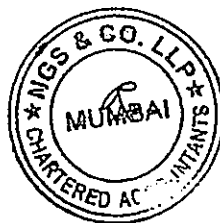
As at 31 March 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	1,30,78,659	-	-	-	-	-	1,30,78,659
Other financial liabilities	-	-	-	-	71,00,000	-	-	-	-	-	71,00,000
Total undiscounted non-derivative financial liabilities	-	-	-	-	2,01,78,659	-	-	-	-	-	2,01,78,659

2.25 B) - Analysis of non-derivative financial assets by remaining contractual maturities

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

As at 31 March 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	6,39,88,045	-	-	-	-	-	-	-	-	-	6,39,88,045
Trade receivables	-	-	-	77,51,708	-	-	-	-	-	-	77,51,708
Other financial assets	-	-	-	-	-	-	5,95,219	-	-	-	5,95,219
Total	6,39,88,045	-	-	77,51,708	-	-	5,95,219	-	-	-	7,23,34,972

As at 31 March 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	5,41,32,126	-	-	-	-	-	-	-	-	-	5,41,32,126
Trade receivables	-	-	1,30,26,982	-	-	-	-	-	-	-	1,30,26,982
Other financial assets	-	-	-	-	-	-	5,77,300	-	-	-	5,77,300
Total	5,41,32,126	-	1,30,26,982	-	-	-	5,77,300	-	-	-	6,77,36,408



Edehweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.26 Analysis of financial assets and liabilities by industry risk concentration

Industry analysis - Risk concentration for 31 March 2022

Particulars	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	6,39,88,045	-	6,39,88,045
Trade and other receivables	77,51,708	-	77,51,708
Other financial assets	-	5,95,219	5,95,219
Other Commitments	7,17,39,753	5,95,219	7,23,34,972
Total	7,17,39,753	5,95,219	7,23,34,972

Industry analysis - Risk concentration for 31 March 2021

Particulars	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	5,41,32,126	-	5,41,32,126
Trade and other receivables	1,30,26,982	-	1,30,26,982
Other financial assets	-	5,77,300	5,77,300
Other Commitments	6,71,59,108	5,77,300	6,77,36,408
Total	6,71,59,108	5,77,300	6,77,36,408



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.27 Total market risk exposure

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

Particulars	31 March 2022			31 March 2021		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	6,39,88,045	-	6,39,88,045	5,41,32,126	-	5,41,32,126
Trade receivables	77,51,708	-	77,51,708	1,30,26,982	-	1,30,26,982
Other financial assets	5,95,219	-	5,95,219	5,77,300	-	5,77,300
Total	7,23,34,972	-	7,23,34,972	6,77,36,408	-	6,77,36,408

Particulars	31 March 2022			31 March 2021		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Liability						
Trade payables	33,40,100	-	33,40,100	1,30,78,659	-	1,30,78,659
Other financial liabilities	1,38,42,056	-	1,38,42,056	71,00,000	-	71,00,000
Total	1,71,82,156	-	1,71,82,156	2,01,78,659	-	2,01,78,659



Edehveiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.28 Disclosure related to collateral

Following table sets out availability of financial assets to support funding:

31 March 2022	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	6,39,88,045	6,39,88,045
Trade receivables	-	-	-	-	-
Property, Plant and Equipment	-	-	77,51,708	-	77,51,708
Other financial assets	-	-	-	72,130	72,130
Total assets	-	5,95,219	-	-	5,95,219
	-	5,95,219	77,51,708	6,40,60,175	7,24,07,102

31 March 2021	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	5,41,32,126	5,41,32,126
Trade receivables	-	-	-	-	-
Property, Plant and Equipment	-	-	1,30,26,982	-	1,30,26,982
Other financial assets	-	-	-	1,54,216	1,54,216
Total assets	-	5,77,300	-	-	5,77,300
	-	5,77,300	1,30,26,982	5,42,86,342	6,78,90,624

- 1 Represents assets which are not pledged and Company believes it is restricted from using to secure funding for legal or contractual or other reason
- 2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.29 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The Company defines "capital" as including all components of equity. The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs.

The Company got in principle approval from Securities and Futures Commission, Hong Kong in October 2019 & has got broking and advisory license in April 2020. As per Securities and Futures Commission rules, the company is required to maintain liquid capital of HKD 3Mn. The same is observed & maintained at all times.

2.30 Operating lease commitments

Particulars	Amount in Rs
Within one year	33,63,414
Total	33,63,414

2.30a Other disclosures

Particulars	% / Years / Amount
Incremental borrowing rate of company (In %)	%
The leases have an average life of between (In years)	-
The total lease payment for the year (In amt)	-
Lease rent expenses recognised in P&L for short term leases (In amt)	-
The total lease payment for the year (In amt)	45,31,041
Lease rent expenses recognised in P&L for short term lease (In amt)	45,31,041

2.31 Financial instruments not measured at fair value

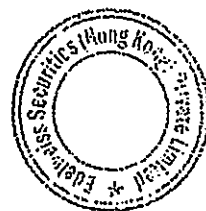
Fair value information of financial assets and financial liabilities not measured at fair value has not been presented as the carrying amount is a reasonable approximation of the fair value due to their short term nature.

2.32 Retirement benefit plan

A) Defined contribution plan (Provident fund and National Pension Scheme):

Amount of INR 343,719 (Previous year: INR 349,878) is recognised as expenses and included in "Employee benefit expense" in the statement of profit and loss.

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



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.33 Revenue from contract with customers

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

For the year ended 31 March 2022	
Particulars	Fees and commission income
Service transferred at a point in time	
Service transferred over time	6,93,03,937
Total revenue from contract with customers	6,93,03,937

For the year ended 31 March 2021	
Particulars	Fees and commission income
Service transferred at a point in time	
Service transferred over time	8,22,10,322
Total revenue from contract with customers	8,22,10,322

2.34 Others disclosures

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

2.35 Corporate Social Responsibility (CSR)

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



Edelweiss Securities (Hong Kong) Private Limited

Notes to the financial statements (Continued)

For the year ended 31 March 2022

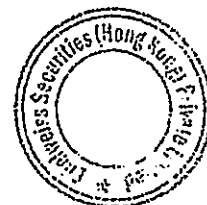
(Currency : Indian rupees)

2.36 Details of Ratio

Particular	March 31, 2022	March 31, 2021
Current ratio (refer note 1)	4.02	3.41
Debt-equity Ratio (Refer note 4)	-	-
Debt Service Coverage Ratio (Refer note 4)	-	-
Return on Equity ratio (refer note 2)	0.01	0.02
Inventory turnover ratio (refer note 5)	-	-
Trade receivable turnover ratio (refer note 5)	-	-
Trade payable turnover ratio (refer note 5)	-	-
Net Capital turnover ratio (refer note 5)	-	-
Net profit ratio (refer note 5)	-	-
Return on Capital Employed (refer note 3)	0.09	0.15
Return on Investment (refer note 4)	-	-

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. Debt equity ratio, Debt Service Coverage ratio, Interest Service Coverage ratios and Total Debts/ Total Assets and Return on Investment are nil since there is no debt and investment during the current year and previous year.
5. Inventory turnover ratio, Trade receivable ratio, Trade payable turnover, Net capital turnover and Net profit ratio are not applicable owing to the business model of the company.



Notes to the financial statements (Continued)

For the year ended 31 March 2022

(Currency : Indian rupees)

2.37 Rounded off

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

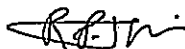
2.38 Previous period comparatives

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

As per our report of even date attached.

For NGS & Co. LLP
Chartered Accountants

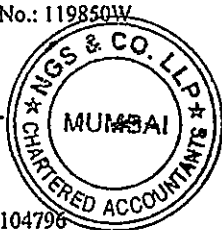
Firm Registration No.: 119850W



R. P. Soni

Partner

Membership No.: 104796

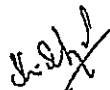


For and on behalf of the Board of Directors



Philip Yin Loong Cheung

Director



Shiv Sehgal

Director

Mumbai
18 May 2022

18 May 2022

