

## **Edelweiss Investment Adviser Limited**

**Corporate Identity Number: U74140TG2008PLC120334**

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



**Independent Auditors' Report**

**To the Members of Edelweiss Investment Advisor Limited  
Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of Edelweiss Investment Advisor Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

**Basis for Opinion**

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

**Emphasis of matter**

We draw your attention to Note 2 to the Financial Statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the company's business and financial metrics including the company's estimates of impairment of loans to customers and investments which are highly dependent on uncertain future developments. Our opinion as not modified in respect of this matter.

**Other Information**

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

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



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

#### **Management's Responsibilities for the Ind AS Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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



- (g) In our opinion and according to the information and explanation given to us, no remuneration has been paid by the Company to its directors during the current year; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 75(A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;
  - b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 75(B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. No dividend has been declared or paid during the period by the Company.

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



R. P. Soni  
Partner  
Membership No.: 104796



UDIN: 22104796AJPWLV2338

Place: Mumbai  
Date: May 25, 2022

**Annexure A to the Auditors' Report**

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

- (i)
  - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
  - (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
  - (b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the title deed of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements is held in the name of the Company.
  - (d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2022.
  - (e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii)
  - (a) The Company has conducted physical verification of inventory on the basis of vault register in respect of commodities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
  - (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii)
  - (a) (A) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to its subsidiaries, joint ventures and associates.
  - (B) During the year, the Company has provided loans aggregating to Rs. 15,94,000 thousand to a company other than its subsidiaries, joint ventures and associates and the balance outstanding as at the balance sheet date with respect to such loan is Rs.11,74,508 thousand. Further as per the information and explanations given to us by the management, the Company has not granted advances in nature of loans or given any guarantee or provided any security during the year to parties other than its subsidiaries, joint ventures and associates.



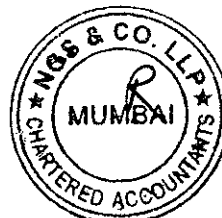
- (b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans during the year to companies are not prejudicial to the Company's interest. Further as per the information given by the management the Company has not provided any guarantees or not given any security.
- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has granted loans and advance in the nature of loans during the year to companies, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular except as stated below:

Name of the Entity	Amount (Rs. In Thousands)	Due Date	Remarks (if any)
Various parties	53,93,144	Various	ECL provision of Rs.26,75,146 thousands made in books

- (d) The following amounts are overdue for more than ninety days from companies, firms, Limited Liability Partnerships and to individual borrowers and reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.

Name of the Entity	Amount (Rs. In Thousands)	Remarks (if any)
Various parties	49,00,035	ECL provision of Rs.26,75,146 thousands made in books

- (e) In our opinion and according to the information and explanations given to us, there were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the period, that have been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given and investments made.
- (v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained by the management of the Company, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.





- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income-tax, provident fund, goods and service tax, cess and other statutory dues, applicable to it, have generally been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to Employees' State Insurance, duty of excise, duty of custom, sales tax, service tax, value added tax and cess are currently not applicable to the Company.

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

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

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

- (c) In our opinion and according to the information and explanations given to us, term loans were applied for the purpose for which the loans were obtained.

- (d) In our opinion and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

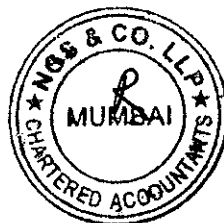
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (x) of the Order is not applicable.

- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company we report that no fraud by the Company or on the Company has been noticed or reported during the year.

- (b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor, predecessor auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

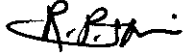


- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till the date for the period under audit.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to Company.
- (b) The Company has not conducted Non-Banking Financial activities or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.
- (xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has incurred cash losses amounting to Rs. 12,21,183 thousand in the current year and amounting to Rs. 15,56,228 thousand in the immediately preceding financial year respectively
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 78 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, support letters from ultimate holding company, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



- (xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 72 to the financial statements.
- (b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 72 to the financial statements.
- (xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxii) of the Order is not applicable to the Company.

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

  
R. P. Soni  
Partner  
Membership No.: 104796



UDIN: 22104796AJPWL2338

Place: Mumbai  
Date: May 25, 2022

**Annexure B to the Auditors' Report**

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

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

We have audited the internal financial controls over financial reporting of **Edelweiss Investment Adviser Limited ("the Company")** as of March 31, 2022 in conjunction with our audit of 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

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



### **Meaning of Internal Financial Controls over Financial Reporting**

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

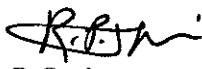
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

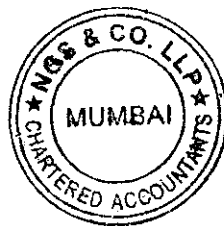
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
R. P. Soni  
Partner  
Membership No.: 104796



UDIN: 22104796AJPWL2338

Place: Mumbai  
Date: May 25, 2022

# Edelweiss Investment Adviser Limited

## Balance Sheet as at March 31, 2022

(Currency: ₹ in Millions)

### ASSETS

#### Non-current assets

(a) Property, plant and equipment

(b) Investment property

(c) Other Intangible assets

(d) Financial Assets

(i) Investments

(ii) Loans

(iii) Other financial assets

(e) Current tax assets (net)

(f) Deferred tax assets (net)

**Total Non-Current Assets**

#### Current assets

(a) Financial Assets

(i) Securities held for trading

(ii) Trade receivables

(iii) Cash and cash equivalents

(iv) Bank balances other than cash and cash equivalents

(v) Derivative financial instruments

(vi) Loans

(vii) Other financial assets

(b) Current tax assets (net)

(c) Other current assets

**Total Current Assets**

#### Total Assets

### EQUITY AND LIABILITIES

#### Equity

(a) Equity share capital

(b) Instruments entirely equity in nature

(c) Other equity

**Total Equity**

#### Liabilities

##### Non-current liabilities

(a) Financial liabilities

- Borrowings (other than debt securities)

(b) Provisions

(c) Current tax liabilities (net)

(d) Other non-current liabilities

**Total Non-current liabilities**

##### Current liabilities

(a) Financial liabilities

(i) Debt Securities

(ii) Borrowings (other than debt securities)

(iii) Derivative financial instruments

(iv) Trade payables

total outstanding dues of micro enterprises and small enterprises

total outstanding dues of creditors other than micro enterprises and small

(v) Other financial liabilities

(b) Provisions

(c) Other current liabilities

**Total Current liabilities**

#### TOTAL EQUITY AND LIABILITIES

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W

R.P. Soni

Partner

Membership No: 104796



Mumbai, 25 May 2022

Note	As at 31 March 2022	As at 31 March 2021
9	0.22	0.70
10	1,612.96	1,975.59
11	-	-
12	-	-
13	2,459.94	1,925.51
14	0.10	0.10
15	28.82	30.43
16	186.89	195.70
	<b>4,288.93</b>	<b>4,128.03</b>
17	2,423.64	1,493.98
18	2.45	12.35
19	15.77	2.27
20	665.48	46.33
21	17.16	-
22	1,003.95	265.86
23	142.66	20.94
24	7.70	8.12
25	85.82	25.45
	<b>4,364.63</b>	<b>1,875.30</b>
	<b>8,653.56</b>	<b>6,003.33</b>

26.1	1,005.50	1,005.50
26.2	5,750.00	-
27	(9,781.08)	(8,938.67)
	<b>(3,025.58)</b>	<b>(7,933.17)</b>

28	9,492.31	-
29	1.26	-
30	-	6.90
31	1.82	1.78
	<b>9,495.39</b>	<b>8.68</b>

32	1,830.50	2,433.06
33	210.56	11,476.81
21	29.17	-
34	-	-
34	86.80	6.32
35	2.78	2.43
36	0.24	-
37	23.70	9.20
	<b>2,183.75</b>	<b>13,927.82</b>
	<b>8,653.56</b>	<b>6,003.33</b>

1 to 79

For and on behalf of the Board of Directors

Sanjeev Rastogi

Director

DIN: 00254303

Prashant Mody

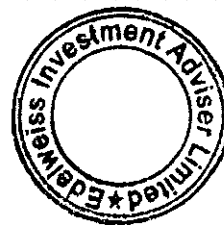
Director

DIN: 03101048

Ravindra Dhobale

Chief Financial Officer

Mumbai, 25 May 2022



**Edelweiss Investment Adviser Limited**
**Statement of Profit and Loss for year ended March 31, 2022**

(Currency: ₹ in Millions)

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Revenue from operations</b>			
Fee and commission income	38	0.48	1.20
Sale of commodity		1,043.63	155.07
Interest income	39	725.43	152.29
Net gain on fair value changes	40	327.52	(3,141.95)
<b>Total revenue from operations</b>		<b>2,097.06</b>	<b>(2,833.39)</b>
<b>Other income</b>	41	1.02	-
<b>Total income</b>		<b>2,098.08</b>	<b>(2,833.39)</b>
<b>Expenses</b>			
Purchases of Commodity		1,043.25	155.05
Employee benefits expense	42	2.80	3.17
Finance costs	43	1,546.54	1,671.67
Depreciation, amortisation and impairment	9, 10 & 11	(49.87)	349.68
Impairment on financial instruments	44	(34.85)	(25.03)
Other expenses	45	423.62	79.39
<b>Total expenses</b>		<b>2,931.49</b>	<b>2,233.93</b>
<b>Profit/(loss) before tax</b>		<b>(833.41)</b>	<b>(5,067.32)</b>
<b>Tax expenses:</b>	46		
Current tax		0.05	(8.26)
Deferred tax		8.81	221.83
<b>Profit / (Loss) for the year</b>		<b>(842.27)</b>	<b>(5,280.89)</b>
<b>Other Comprehensive Income / (loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain / (loss) on defined benefit plans (OCI)		(0.14)	0.03
<b>Total</b>		<b>(0.14)</b>	<b>0.03</b>
<b>Other Comprehensive Income / (loss)</b>		<b>(0.14)</b>	<b>0.03</b>
<b>Total comprehensive income / (loss)</b>		<b>(842.41)</b>	<b>(5,280.86)</b>
<b>Earnings per share (Face value ₹ 10 each)</b>	49		
<b>Basic (in ₹)</b>		(1.45)	(52.52)
<b>Diluted (in ₹)</b>		(1.45)	(52.52)

The accompanying notes are an integral part of the Financial Statements.

1 to 79

As per our report of even date attached

**For NGS & Co. LLP**

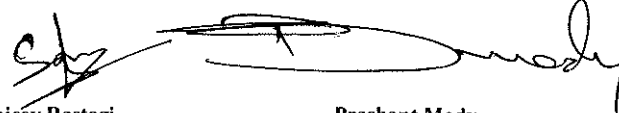
Chartered Accountants

Firm's Registration No. 119850W


**R.P. Soni**

Partner

Membership No: 104796


**For and on behalf of the Board of Directors**

**Sanjeev Rastogi**

Director

DIN: 00254303

**Prashant Mody**

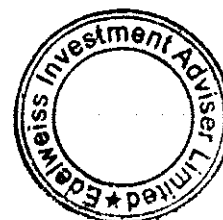
Director

DIN: 03101048


**Ravindra Dhobale**

Chief Financial Officer

Mumbai, 25 May 2022



Mumbai, 25 May 2022

**Edelweiss Investment Adviser Limited**
**Statement of Cash flow for the year ended March 31, 2022**

(Currency: ₹ in Millions)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	(833.41)	(5,067.32)
<i>Adjustments for :</i>		
Depreciation, amortisation and impairment	(49.87)	349.68
Fair value (gain) / loss on revaluation of real estate	(315.76)	3,233.47
Adjustment for provision for gratuity / compensated absence	0.27	-
Impairment of financial instruments	(34.85)	(25.03)
(Profit)/Loss on sale of property, plant and equipment	0.11	0.06
(Profit) / loss on sale of investment property	(9.17)	(2.22)
Profit / (loss) on equity derivative instruments	(16.47)	-
Fair value (gain) / loss on debt securities	13.88	(55.30)
Interest Income on fixed deposit	(10.06)	-
Interest income on real estate loans	(225.00)	-
Interest income on debt securities held for trading	(189.06)	(152.29)
Interest expense on debt securities	537.04	341.07
Interest expense on borrowing	1,008.59	1,330.60
<b>Operating cash flow before working capital changes</b>	<b>(123.76)</b>	<b>(47.28)</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
Decrease / (Increase) in derivative financial instrument	28.48	-
Decrease / (Increase) in trade receivables	44.75	14.04
(Decrease) / Increase in trade payables	80.48	(1.28)
Decrease / (Increase) in loans	(944.99)	203.84
Decrease / (Increase) in Other current and non-current assets	(182.09)	(45.35)
(Decrease) / Increase in other liabilities and provisions	15.98	(52.10)
<b>Cash generated from / (used in) operations</b>	<b>(1,081.15)</b>	<b>71.87</b>
Income taxes paid (net of refund)	(4.93)	(8.40)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>(1,086.08)</b>	<b>63.47</b>
<b>B. Cash flow from investing activities</b>		
(Purchase) / Sale of sale of property, plant and equipment (net) (Refer note 1)	0.15	0.12
(Purchase) / sale of investment property (net) (Refer note 1)	410.12	355.00
Purchase of debt securities held in trading	(1,121.77)	(1,633.94)
Redemption of debt securities held for trading	201.00	195.46
Interest Income on fixed deposit	10.06	-
Interest received on debt securities held for trading	166.30	152.09
Interest Income on real estate property	225.00	-
<b>Net cash generated from / (used in) investing activities - B</b>	<b>(109.14)</b>	<b>(931.27)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of compulsorily convertible debentures	5,750.00	-
Proceeds/(repayment) from Borrowings (other than debt securities) (net) (Refer note 1)	(1,762.57)	149.61
Interest expense on borrowings	(1,019.96)	(1,330.79)
Interest expense on debt securities	(719.60)	(158.01)
Proceeds / (repayment) from / to Debt securities (net) (Refer note 1)	(420.00)	2,250.00
Escrow balance pertaining to issuance of debt securities	(619.15)	(46.32)
<b>Net cash generated from / (used in) financing activities - C</b>	<b>1,208.72</b>	<b>864.49</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>13.50</b>	<b>(3.31)</b>
Cash and cash equivalents as at the beginning of the year	2.27	5.58
Cash and cash equivalents as at the end of the year	15.77	2.27

**Notes:**

1. Cash receipts and payments for transaction in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows
2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies (Indian Accounting Standards) Rules, 2015 under the Companies Act, 2013
3. Refer note for changes in liabilities arising from financing activities

As per our report of even date attached

**For NGS & Co. LLP**

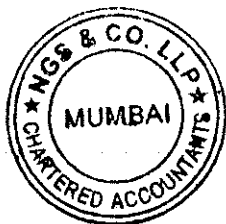
Chartered Accountants

Firm's Registration No. 119850W

**R.P. Soni**

Partner

Membership No: 104796


**For and on behalf of the Board of Directors**
**Sanjeev Rastogi**

Director

DIN: 00254303

**Prashant Mody**

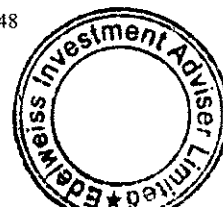
Director

DIN: 03101048

**Ravindra Dhobale**

Chief Financial Officer

Mumbai, 25 May 2022



Mumbai, 25 May 2022



**Edelweiss Investment Adviser Limited****Notes to the financial statements**

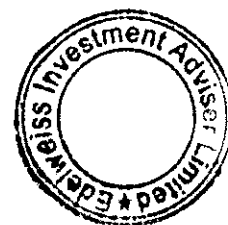
(Currency: ₹ in Millions)

**Cash Flow Disclosure****Change in Liabilities arising from financing activities**

Particulars	As at April 01, 2021	Cash Flows	Changes in Fair value	Others*	As at March 31, 2022
Debt Securities	2,433.06	(1,139.60)	-	537.04	1,830.50
Borrowings other than debt securities	11,476.81	(2,782.53)	-	1,008.59	9,702.87
Total liabilities from financing activities	<b>13,909.87</b>	<b>(3,922.13)</b>	-	<b>1,545.63</b>	<b>11,533.37</b>

Particulars	As at April 01, 2020	Cash Flows	Changes in Fair value	Others*	As at March 31, 2021
Debt Securities	-	2,091.99	-	341.07	2,433.06
Borrowings other than debt securities	11,327.39	(1,181.18)	-	1,330.60	11,476.81
Total liabilities from financing activities	<b>11,327.39</b>	<b>910.81</b>	-	<b>1,671.67</b>	<b>13,910.87</b>

\*Other column includes the effect of interest accrued and provision for premium on redemption (in case of debt securities) during the period.



**Edelweiss Investment Adviser Limited**

**Statement of Changes in Equity for the year ended March 31, 2022**

(Currency: ₹ in Millions)

**(A) Equity Share Capital**

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1,005.50	5.50
Changes in equity share capital (Refer note 26.1)	-	1,000.00
<b>Balance at the end of the year</b>	<b>1,005.50</b>	<b>1,005.50</b>

Refer note 26.1 for detailed quantitative information including investors holding more than 5% of equity share capital.

**(B) Instruments entirely equity in nature**

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	-	-
Changes in equity share capital (Refer note 26.2)	5,750.00	-
<b>Balance at the end of the year</b>	<b>5,750.00</b>	<b>-</b>

**(C) Other Equity**

Particulars	Reserves and Surplus		Total
	ESOP reserve	Retained Earnings	
<b>Balance as at 1st April 2020</b>	<b>1.69</b>	<b>(3,659.50)</b>	<b>(3,657.81)</b>
Profit / (Loss) for the year	-	(5,280.89)	(5,280.89)
Other Comprehensive Income	-	0.03	0.03
<b>Total comprehensive income</b>	<b>1.69</b>	<b>(8,940.36)</b>	<b>(8,938.67)</b>
<b>Balance as at March 31, 2021</b>	<b>1.69</b>	<b>(8,940.36)</b>	<b>(8,938.67)</b>
Profit / (Loss) for the year	-	(842.27)	(842.27)
Other Comprehensive Income	-	(0.14)	(0.14)
<b>Total comprehensive income</b>	<b>1.69</b>	<b>(9,782.77)</b>	<b>(9,781.08)</b>
<b>Balance as at March 31, 2022</b>	<b>1.69</b>	<b>(9,782.77)</b>	<b>(9,781.08)</b>

Refer note 27 for information on nature of reserves maintained at Company level

As per our report of even date attached

**For NGS & Co. LLP**

*Chartered Accountants*

Firm's Registration No. 119850W

*R.P. Soni*

**R.P. Soni**

*Partner*

Membership No: 104796



**For and on behalf of the Board of Directors**

*Sanjeev Rastogi* *Prashant Mody*

**Sanjeev Rastogi**

*Director*

DIN: 00254303

**Prashant Mody**

*Director*

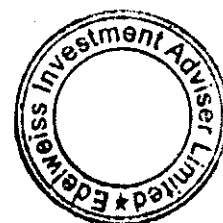
DIN: 03101048

*Ravindra Dhobale*

**Ravindra Dhobale**

*Chief Financial Officer*

Mumbai, 25 May 2022



Mumbai, 25 May 2022

# Edelweiss Investment Adviser Limited

## Notes to the financial statements

For the year ended 31 March 2022

### 1. Background

Edelweiss Investment Advisors Limited ('the Company') was incorporated in India on 30 May 2008. The Company is a 100.00% subsidiary of Edelweiss Rural and Corporate Services Limited. The Company is undertaking and carrying on the business and activities of real estate and investments in real estate.

### 2. 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 assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at March 31, 2022. Since the revenue of the Company is ultimately dependent on the value of the assets it manages, changes in market conditions and the trend of flows into alternate funds may have an impact on the operations of the Company. Basis the assessment, the management does not, at this juncture, believe that the impact on the value of the Company's assets or its operations is likely to be material.

### 3. Basis of preparation of financial statements

The Company's financial statements has been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and the other relevant provisions of the Companies Act, 2013 ('the Act') and rules thereunder.

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

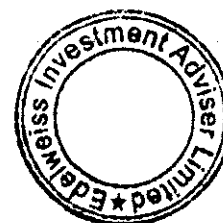
### 4. Presentation of financial statements

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

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

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

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



# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

### Assets

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

### Liabilities

A liability is classified as current when it is expected to be settled in the company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current liabilities. All other liabilities are classified as non-current.

## 5. Significant accounting policies

### 5.1 Recognition of Interest income

Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.

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

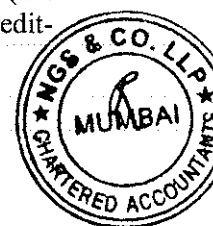
If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

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

### 5.2 Financial Instruments

#### Date of recognition

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



# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

### Initial measurement of financial instruments

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

### Day 1 profit or loss

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

## 5.3 Classification of financial instruments

### Financial Assets

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

- Amortised cost
- Fair value through other comprehensive income (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 or loss on initial recognition):

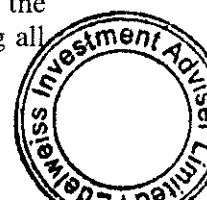
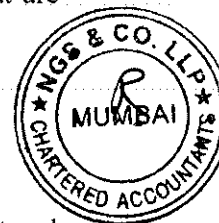
- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at FVTPL.

### Amortised cost and Effective Interest Method (EIR)

The effective interest method 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



# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

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

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

### Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased 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 liabilities

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

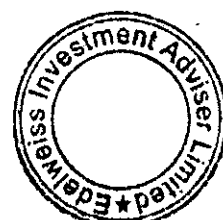
### Debt securities and other borrowed funds

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

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

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

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



# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

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

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

### **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 a 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 recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### **Derivatives**

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

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

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

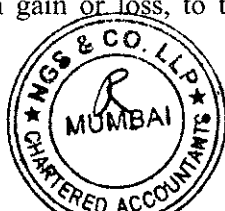
The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

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

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

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

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



# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

### **Derecognition of financial assets (other than due to substantial modification)**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition. The difference between the carrying value of the financial asset and the consideration received is recognised in the statement of profit and loss.

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 financial liability and the consideration paid is recognised in the statement of profit and loss.

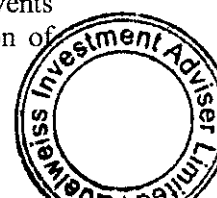
## **5.6 Impairment of financial assets**

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

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

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

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of





# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

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

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

### 5.7 Collateral valuation:

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit /guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Company's balance sheet. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed on a quarterly basis.

To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market value are valued using models. Non-financial assets collateral, such as real estate, is valued based on data provided by third parties such as registered valuer.

### 5.8 Write off

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

### 5.9 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 Investment Adviser Limited

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

For the year ended 31 March 2022

### 5.10 Determination of fair value

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

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

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

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

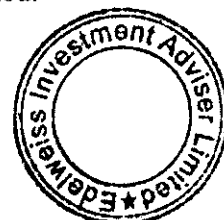
**Level 1 financial instruments** –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

**Level 2 financial instruments**–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

**Level 3 financial instruments** –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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



# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

### 5.11 Revenue from contract with customers

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contract and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognises revenue from the following sources:

- a. Fee income including advisory fees, syndication fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.
- b. Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

### 5.12 Earnings per share

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

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

### 5.13 Retirement and other employee benefit

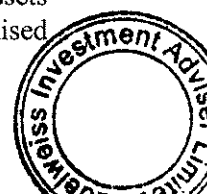
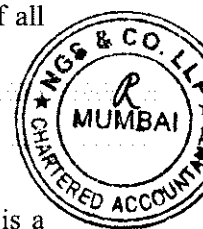
#### A. Provident fund

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.

#### B. Gratuity

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2022

immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods.

### C. 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.

### D. Share-based payment arrangements

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These 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 Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest.

The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'ESOP reserve'. In cases where the share options granted vest in instalments over the vesting period, the Group treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each instalment differs.

## 5.14 Property, plant and equipment

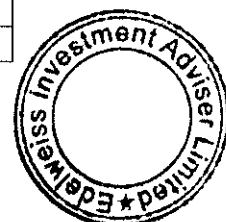
Property plant and equipment is stated at cost excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes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

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

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

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

Nature of assets	Estimated useful lives
Vehicles	8 years
Computers – such servers & networks	6 years
Office Equipment	5 years
Computers – End user devices, such as desktops, laptops, etc.	3 years



# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

### 5.15 Intangible assets

Intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and impairment, if any. Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

### 5.16 Investment property

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and are measured and reported at cost, including transaction costs, less impairment if any.

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

### 5.17 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.

### 5.18 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks and on hand.

### 5.19 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.

### 5.20 Income tax expenses

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

#### A. 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.



# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

### B. Deferred tax

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

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

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

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

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

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

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

### C. Minimum Alternative Tax (MAT) credit

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.

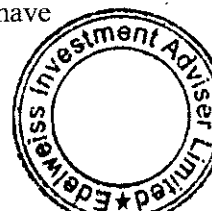
### 6. Significant accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described under critical judgement, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.



# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

### A. Business model assessment

Classification and measurement of financial assets depends on the results of the sole payments of principal and interest (SPPI) and the business model test. The Company determines the business model at a level that reflects how Company's of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

### B. Significant increase in credit risk

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

#### Key sources of estimation uncertainty:

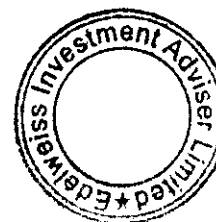
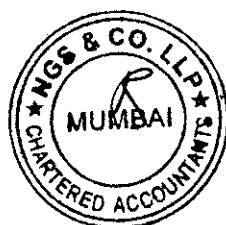
The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### C. 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.

### D. Effective Interest Rate (EIR) Method

The Company's EIR methodology, as explained in Note 5.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.



# Edelweiss Investment Adviser Limited

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

For the year ended 31 March 2022

This estimation, by nature requires an element of judgement regarding the expected behaviour and life cycle of the instrument, as well expected changes India's base rate and other fee income, expenses that are integral part of the instrument.

### **E. Impairment of Financial assets**

The measurement of impairment losses across all categories of financial assets except assets valued at fair value through Profit & Loss account (FVTPL) requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

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

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

### **F. Impairment of Non-Financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's fair value less cost of disposal and its value in use. Where the carrying amount exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

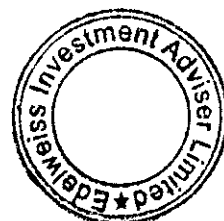
## **7. Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

## **8. Standards issued but not yet effective**

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





## 9 Property, plant and equipment

Description of assets	Gross block			Accumulated depreciation and impairment				Net block	
	As at 01 April 2021	Additions during the year	Disposals during the year	As at 31 March 2022	As at 01 April 2021	Impairment losses / (reversals)	Charge for the year	Disposals/adjustments during the year	As at 31 March 2022
Motor vehicles	-	-	-	-	-	-	-	-	-
Office equipments	0.91	-	0.45	0.46	0.75	-	0.07	0.40	0.42
Computers	4.90	0.01	3.36	1.55	4.36	-	0.15	3.14	1.37
<b>Total</b>	<b>5.81</b>	<b>0.01</b>	<b>3.81</b>	<b>2.01</b>	<b>5.11</b>	<b>-</b>	<b>0.22</b>	<b>3.54</b>	<b>1.79</b>

## Property, plant and equipment

Previous year- 2020-2021									
Description of assets	Gross block			Accumulated depreciation and impairment			Net block		
	As at 01 April 2020	Additions during the year	Disposals during the year	As at 31 March 2021	As at 01 April 2020	Impairment losses / (reversals)	Charge for the year	Disposals/adjustments during the year	As at 31 March 2021
Motor vehicles	-	-	-	-	-	-	-	-	-
Office equipments	0.96	-	0.05	0.91	0.66	-	0.13	0.04	0.75
Computers	6.43	0.05	1.58	4.90	4.95	-	0.78	1.37	4.36
<b>Total</b>	<b>7.39</b>	<b>0.05</b>	<b>1.63</b>	<b>5.81</b>	<b>5.61</b>	<b>-</b>	<b>0.91</b>	<b>1.41</b>	<b>5.11</b>

## 10 Investment property

Description of assets	Gross block			Accumulated depreciation and impairment				Net block		
	As at 01 April 2021	Additions during the year	Disposals during the year	As at 31 March 2022	As at 01 April 2021	Impairment losses / (reversals)	Charge for the year	Disposals during the year	As at 31 March 2022	As at 31 March 2022
Property	2,647.29	236.88	649.59	2,234.58	671.70	(50.08)	-	-	621.62	1,612.96
Total	2,647.29	236.88	649.59	2,234.58	671.70	(50.08)	-	-	621.62	1,612.96

## Investment property

Previous year- 2020-2021									
Description of assets	Gross block			Accumulated depreciation and impairment			Net block		
	As at 01 April 2020	Additions during the year	Disposals during the year	As at 31 March 2021	As at 01 April 2020	Impairment losses / (reversals)	Charge for the year	Disposals during the year	As at 31 March 2021
Property	3,000.03	272.10	624.84	2,647.29	323.03	-	348.71	0.04	1,975.59
<b>Total</b>	<b>3,000.03</b>	<b>272.10</b>	<b>624.84</b>	<b>2,647.29</b>	<b>323.03</b>	<b>-</b>	<b>348.71</b>	<b>0.04</b>	<b>1,975.59</b>

## Note:

- The fair value of the properties is ₹ 3,089.16 and ₹ 3,739.06 as at March 31, 2022 and March 31, 2021 respectively except for one property amounting to ₹ 177.76 where the fair value is taken basis the latest transaction in month of March 2022. These values are considered as per valuations performed by an independent valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.
- Investment Property having carrying value of ₹ 150.74 is charged against debt securities.
- All title deeds of immovable properties owned by the Company are held in the name of the Company.

## 11 Other intangible assets

Description of assets	Gross block			Accumulated depreciation and impairment				Net block	
	As at 01 April 2021	Additions during the year	Disposals during the year	As at 31 March 2022	As at 01 April 2021	Impairment losses / (reversals)	Charge for the year	Disposals during the year	As at 31 March 2022
Computer software	5.59	-	-	5.59	5.59	-	-	-	5.59
Total	5.59	-	-	5.59	5.59	-	-	-	5.59

## Other intangible assets

Previous year- 2020-2021									
Description of assets	Gross block			Accumulated depreciation and impairment			Net block		
	As at 01 April 2020	Additions during the year	Disposals during the year	As at 31 March 2021	As at 01 April 2020	Impairment losses / (reversals)	Charge for the year	Disposals during the year	As at 31 March 2021
Computer software	5.59	-	-	5.59	5.53	-	0.06	-	5.59
<b>Total</b>	<b>5.59</b>	<b>-</b>	<b>-</b>	<b>5.59</b>	<b>5.53</b>	<b>-</b>	<b>0.06</b>	<b>-</b>	<b>5.59</b>

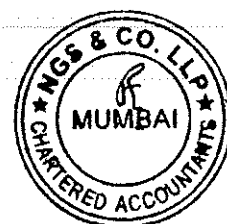


# Edelweiss Investment Adviser Limited

## Notes to the financial statements (Continued)

(Currency: ₹ in Millions)

	As at 31 March 2022	As at 31 March 2021
<b>12 Investments</b>		
<i>At fair value through profit and loss</i>		
Share warrant	111.93	-
<b>Total Gross</b>	<b>111.93</b>	<b>-</b>
Less: Impairment loss allowance	111.93	-
<b>Total (Net)</b>	<b>-</b>	<b>-</b>
Investments in India	111.93	-
Investments outside India	-	-
<b>Total</b>	<b>111.93</b>	<b>-</b>
Less - Impairment Loss allowance	111.93	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>13 Loans</b>		
<i>At fair value through profit and loss</i>		
Capital advances	2,357.87	1,925.51
- considered non performing assets	-	-
	<b>2,357.87</b>	<b>1,925.51</b>
<i>At amortised cost</i>		
Capital advances	140.60	-
<b>Total Gross</b>	<b>2,498.47</b>	<b>1,925.51</b>
Less: Impairment loss allowance	38.53	-
<b>Total (Net)</b>	<b>2,459.94</b>	<b>1,925.51</b>
Unsecured	2,498.47	1,925.51
<b>Total Gross</b>	<b>2,498.47</b>	<b>1,925.51</b>
Less: Impairment loss allowance	38.53	-
<b>Total (Net)</b>	<b>2,459.94</b>	<b>1,925.51</b>
<b>Loans in India</b>		
Public sector	-	-
Others	2,498.47	1,925.51
<b>Total Gross</b>	<b>2,498.47</b>	<b>1,925.51</b>
Less: Impairment loss allowance	38.53	-
<b>Total (Net)</b>	<b>2,459.94</b>	<b>1,925.51</b>
<b>Note:</b>		
Loans at amortised cost having carrying value of ₹ 102.07 is charged against debt securities.		
<b>14 Other financial assets</b>		
Other deposits	0.10	0.10
	<b>0.10</b>	<b>0.10</b>
<b>15 Current tax assets (net)</b>		
Advance income taxes (net of provision for taxation) (net of provision for tax March 31, 2022, ₹ Nil, March 31, 2021 ₹ 122.79)	28.82	30.43
	<b>28.82</b>	<b>30.43</b>
<b>16 Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
<b>Sundry Debtors</b>		
Provision for doubtful debts - ECL provision	6.29	15.09
<b>Property, plant and equipment and intangibles</b>		
Difference between book and tax depreciation (including intangibles)	0.40	0.40
<b>Unused tax losses</b>		
Accumulated losses	362.97	362.98
	<b>369.66</b>	<b>378.47</b>
<b>Deferred tax liabilities</b>		
<b>Investments and other financial instruments</b>		
Unrealised gain on derivatives	-	-
Fair valuation of financial instruments	182.77	182.77
	<b>182.77</b>	<b>182.77</b>
<b>Net deferred tax</b>	<b>186.89</b>	<b>195.70</b>



Edelweiss Investment Adviser Limited

Notes to the financial statements (Continued)

(Currency: ₹ in Millions)

17 Securities held for trading

At fair value through profit and loss account

Debt Securities

2.00% Edelweiss Asset Reconstruction Company Limited 28.03.2027 PNCD  
10.65% Edelweiss Rural & Corporate Services Limited 07.04.2022 Bonds  
09.95% ECap Equities Ltd 30.04.2024 Bonds

As at March 31, 2022			As at March 31, 2021		
Face Value	Quantity	Amount	Face Value	Quantity	Amount
2,90,917	1,923	1,301.86	3,90,568	1,923	1,493.98
10,00,000	790	804.88	-	-	-
10,00,000	285	316.90	-	-	-
		<b>2,423.64</b>			<b>1,493.98</b>

Investments in India

Investments outside India

Total

2,423.64	1,493.98
-	-
<b>2,423.64</b>	<b>1,493.98</b>

Note:

- Of the above 2% EARC PNCD is charged against debt securities.
- 10.65% Edelweiss Rural & Corporate Services Limited 07.04.2022 Bonds amounting to ₹ 234.33 is pledged against trading of securities.
- Please refer note 58 F Fair value measurement for Valuation methodologies for securities held for trading.

18 Trade receivables

Undisputed Trade receivables – considered good

Undisputed Trade Receivables – credit impaired

Gross receivables (A)

Undisputed Trade Receivables – credit impaired

Total ECL Provision on receivables (B)

Total receivables net of provision

As at  
31 March 2022

As at  
31 March 2021

2.45	12.35
25.54	60.39
<b>27.99</b>	<b>72.74</b>
(25.54)	(60.39)
<b>(25.54)</b>	<b>(60.39)</b>
<b>2.45</b>	<b>12.35</b>

18.1 Reconciliation of impairment allowance on trade receivables:

Impairment allowance measured as per simplified approach

Impairment allowance - Opening Balance

Add/ (less): asset originated or acquired (net)

Impairment allowance - Closing Balance

For the year ended  
March 31, 2022

For the year ended  
March 31, 2021

(60.39)	(88.24)
34.85	27.85
<b>(25.54)</b>	<b>(60.39)</b>

For trade receivables outstanding, following ageing schedule shall be given:

18.2 Trade Receivables ageing schedule

As at March 31, 2022	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
ECL rate	-	-	0.00%	100.00%	100.00%	0.00%	100.00%	
Undisputed Trade receivables – considered good	-	-	2.45	-	-	-	-	2.45
Undisputed Trade Receivables – credit impaired	-	-	-	0.16	(0.01)	-	25.38	25.53
Total Gross	-	-	2.45	0.16	(0.01)	-	25.38	27.98
ECL - simplified approach	-	-	-	0.16	(0.01)	-	25.38	25.53
Net carrying amount	-	-	2.45	-	-	-	-	2.45

As at March 31, 2021	Outstanding for following periods from due date of payment							Total
	Unbilled	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
ECL rate	-	-	0.00%	100.00%	100.00%	0.00%	100.00%	
Undisputed Trade receivables – considered good	-	-	12.35	-	-	-	-	12.35
Undisputed Trade Receivables – credit impaired	-	-	-	0.01	(0.01)	-	60.39	60.39
Total Gross	-	-	12.35	0.01	(0.01)	-	60.39	72.74
ECL - simplified approach	-	-	-	0.01	(0.01)	-	60.39	60.39
Net carrying amount	-	-	12.35	-	-	-	-	12.35

19 Cash and cash equivalents

Cash on hand

Balances with banks

- in current accounts

-	-
15.77	2.27
<b>15.77</b>	<b>2.27</b>

20 Bank balances other than cash and cash equivalents

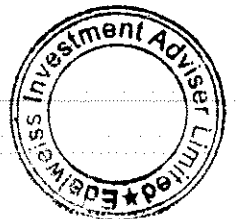
Balances with banks

- in current accounts (Refer Note below)

665.48	46.33
<b>665.48</b>	<b>46.33</b>

Note:

The above balance held in Escrow account is charged against debt securities



**Edelweiss Investment Adviser Limited**  
**Notes to the financial statements (Continued)**  
(Currency: ₹ in Millions)

As at 31 March 2022:				
	Notional amount (Units)*	Fair value of asset (₹)	Notional amount (Units)*	Fair value of liability (₹)
<b>21 Derivative financial instruments</b>				
(i) Index linked derivatives				
Options purchased	3,30,750	17.16		
Options sold (written)			1,77,050	29.17
Less: amounts offset (refer note 21.1)				
<b>Total</b>		<b>17.16</b>		<b>29.17</b>

**There were no derivative financial instruments in Financial Year 2020-21.**

**Note :**

Notional amounts in the above tables refer to number of underlying equity shares in case of stock futures and options, number of underlying index units in case of index-linked derivatives, number of underlying currency units in case of currency derivatives, number of underlying government securities / bonds in case of interest rate futures, amount of notional currency in case of interest rate swaps.

**21.1**

**Offsetting:**

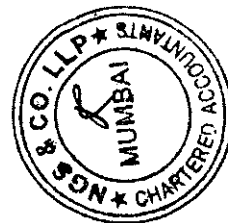
The tables below summarise the financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements, as well as financial collateral received to mitigate credit exposures for these financial assets, and whether offset is achieved in the balance sheet:

Financial assets subject to offsetting, netting arrangements

As at 31 March 2022:

Financial assets subject to offsetting	Offsetting recognised in the balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements		Total assets		Maximum Exposure to Risk
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet	Financial liabilities	Collateral received	Assets after consideration of netting potential	Recognised in the balance sheet	After consideration of netting potential	
Derivative financial assets	17.16	-	17.16	-	-	17.16	17.16	17.16	
Financial assets subject to offsetting									
	Offsetting recognised in the balance sheet		Netting potential not recognised in balance sheet		Assets not subject to netting arrangements		Total assets		Maximum Exposure to Risk
	Gross liability before offset	Amount offset	Net liability recognised in balance sheet	Financial assets	Collateral paid	Liabilities after consideration of netting potential	Recognised in the balance sheet	After consideration of netting potential	
Derivative financial liabilities	29.17	-	29.17	-	-	29.17	29.17	29.17	

**There were no derivative financial instruments in the financial year 2020-21.**

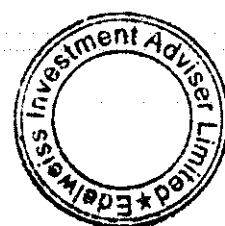
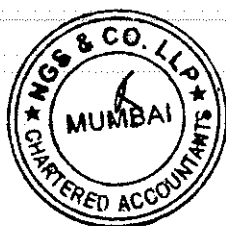


# Edelweiss Investment Adviser Limited

## Notes to the financial statements (Continued)

(Currency: ₹ in Millions)

	As at 31 March 2022	As at 31 March 2021
<b>22 Loans</b>		
<i>At fair value through profit and loss</i>		
Capital advances	4.44	163.79
Receivable from financing business	999.51	-
	<b>1,003.95</b>	<b>163.79</b>
<i>At amortised cost</i>		
Capital advances	-	140.60
<b>Total Gross</b>	<b>1,003.95</b>	<b>304.39</b>
Less: Impairment loss allowance	-	38.53
<b>Total (Net)</b>	<b>1,003.95</b>	<b>265.86</b>
Unsecured	1,003.95	304.39
<b>Total Gross</b>	<b>1,003.95</b>	<b>304.39</b>
Less: Impairment loss allowance	-	38.53
<b>Total (Net)</b>	<b>1,003.95</b>	<b>265.86</b>
<b>Loans in India</b>		
Public sector	-	-
Others	1,003.95	304.39
<b>Total Gross</b>	<b>1,003.95</b>	<b>304.39</b>
Less: Impairment loss allowance	-	38.53
<b>Total (Net)</b>	<b>1,003.95</b>	<b>265.86</b>
<b>Note:</b>		
Loans at FVTPL having carrying value of ₹ 999.51 is charged against debt securities.		
<b>23 Other financial assets</b>		
Margin placed with brokers	5.90	2.36
Advances recoverable in cash or in kind or for value to be received	1.22	0.13
Receivable from Real Estate Developer	135.54	18.45
	<b>142.66</b>	<b>20.94</b>
<b>24 Current tax assets (net)</b>		
Advance income taxes (net of provision for taxation)	7.70	8.12
	<b>7.70</b>	<b>8.12</b>
<b>25 Other current assets</b>		
Input tax credit	85.27	23.01
Prepaid expenses	-	0.02
Vendor Advances	0.55	2.42
	<b>85.82</b>	<b>25.45</b>



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (Continued)

(Currency: ₹ in Millions)

### 26.1 Equity share capital

#### Authorised :

Equity Shares of ₹ 10 each  
Preference shares of ₹ 10 each

As at March 31, 2022		As at March 31, 2021	
No of shares	Amount	No of shares	Amount
25,05,50,000	2,505.50	25,05,50,000	2,505.50
47,00,000	47.00	47,00,000	47.00
<b>25,52,50,000</b>	<b>2,552.50</b>	<b>25,52,50,000</b>	<b>2,552.50</b>

#### Issued, Subscribed and Paid up:

Equity Shares of ₹ 10 each

As at March 31, 2022		As at March 31, 2021	
No of shares	Amount	No of shares	Amount
10,05,50,000	1,005.50	10,05,50,000	1,005.50
<b>10,05,50,000</b>	<b>1,005.50</b>	<b>10,05,50,000</b>	<b>1,005.50</b>

#### a. Movement in share capital:

As at March 31, 2022		As at March 31, 2021	
No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	10,05,50,000	10,05,50,000	1,005.50
Shares issued during the year	-	-	-
<b>Outstanding at the end of the year</b>	<b>10,05,50,000</b>	<b>10,05,50,000</b>	<b>1,005.50</b>

#### b. Terms/rights attached to equity shares :

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

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

Edelweiss Rural & Corporate Services Limited	As at March 31, 2022		As at March 31, 2021	
	No of shares	% holding	No of shares	% holding
	10,05,50,000	100%	10,05,50,000	100.00%
	<b>10,05,50,000</b>	<b>100%</b>	<b>10,05,50,000</b>	<b>100%</b>

#### D. Details of shares held by promoters in the company

	As at 31-Mar-2022		
	No of shares	% of total shares	% changed during the year
Edelweiss Rural & Corporate Services Limited	10,05,50,000	100%	Nil
	As at 31-Mar-2021		
	No of shares	% of total shares	% changed during the year
Edelweiss Rural & Corporate Services Limited	10,05,50,000	100%	Nil

### 26.2 Instruments entirely equity in nature

As at March 31, 2022		As at March 31, 2021	
No of shares	Amount	No of shares	Amount
0.01% Compulsorily Convertible Debentures of ₹ 10 each	57,50,00,000	5,750.00	-
<b>57,50,00,000</b>	<b>5,750.00</b>	<b>-</b>	<b>-</b>

#### a. Movement in share capital:

As at March 31, 2022		As at March 31, 2021	
No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	-	-	-
Issued during the year	57,50,00,000	5,750.00	-
<b>Outstanding at the end of the year</b>	<b>57,50,00,000</b>	<b>5,750.00</b>	<b>-</b>

#### B. Terms/rights attached to Instruments entirely equity in nature :

The interest rate is 0.01% per annum and CCDs will be converted into equity shares at the end of the term i.e. 10 years.

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

As at March 31, 2022		As at March 31, 2021	
No of shares	Amount	No of shares	Amount
Edelweiss Rural & Corporate Services Limited	57,50,00,000	100%	-
<b>57,50,00,000</b>	<b>100%</b>	<b>-</b>	<b>-</b>

### 27 Other equity

Deemed capital contribution - ESOP  
Retained Earnings

As at March 31, 2022		As at March 31, 2021	
	Amount		Amount
	1.69		1.69
	(9,782.76)		(8,940.36)
	<b>(9,781.07)</b>		<b>(8,938.67)</b>

#### Movement in Other Equity

#### I. Deemed capital contribution - ESOP

1.69

1.69

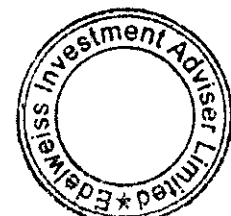
#### II. Retained earnings

##### Opening balance

Add: Profit/(loss) for the year

Add/(less): Other comprehensive income for the year

	(8,940.36)		(3,659.50)
	(842.27)		(5,280.89)
	(0.14)		0.03
	<b>(9,782.76)</b>		<b>(8,940.36)</b>



**Edelweiss Investment Adviser Limited**

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

(Currency: ₹ in Millions)

	As at 31 March 2022	As at 31 March 2021
<b>28 Borrowings (other than debt securities)</b>		
Term Loans (Unsecured - at amortised cost)		
Loans from related parties	9,492.31	-
	<b>9,492.31</b>	<b>-</b>
Borrowings in india	9,492.31	-
Borrowings outside india	-	-
<b>Total</b>	<b>9,492.31</b>	<b>-</b>

**Borrowings (other than debt securities) - as at 31 March 2022**

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
13.5%	-	9,492.31	-	9,492.31
<b>Total</b>	<b>-</b>	<b>9,492.31</b>	<b>-</b>	<b>9,492.31</b>

	As at 31 March 2022	As at 31 March 2021
<b>29 Provisions</b>		
Provision for employee benefits and related costs		
Gratuity	1.16	-
Compensated absences	0.10	-
	<b>1.26</b>	<b>-</b>

	As at 31 March 2022	As at 31 March 2021
<b>30 Current tax liabilities (net)</b>		
Provision for taxation (net of tax deducted at source and advance tax)	-	6.90
[net of advance tax for March 31, 2022 ₹ Nil (March 31, 2021 ₹ Nil)]		
	<b>-</b>	<b>6.90</b>

	As at 31 March 2022	As at 31 March 2021
<b>31 Other non-current liabilities</b>		
Others	1.82	1.78
	<b>1.82</b>	<b>1.78</b>

	As at 31 March 2022	As at 31 March 2021
<b>32 Debt Securities</b>		
Non-Convertible Debentures (at amortised cost)	1,830.50	2,433.06
<b>Total</b>	<b>1,830.50</b>	<b>2,433.06</b>
Debt Securities in India	1,830.50	2,433.06
Debt Securities outside India	-	-
<b>Total</b>	<b>1,830.50</b>	<b>2,433.06</b>

**Secured debt and assets pledged as security**

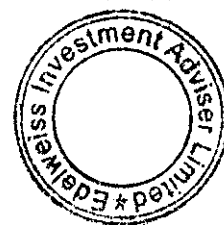
- There is a first charge of NCD loan of Ecstasy Realty Private Limited and second charge of securities held for trading in 2.00% Edelweiss Asset Reconstruction Company Limited 28.03.2027 NCD.
- The charge on the Kohinoor property owned by third party mortgagor and guarantor.
- There is additional charge on loans, investment property and bank balance other than cash and cash equivalent.

**32 A Maturity profile and rate of interest of debt securities are set out below:**

**As at March 31, 2022**

**Non-convertible Debentures (Secured)**

Month	ROI - 10.00%	Grand Total
April 2022	1,830.00	1,830.00
<b>Total</b>	<b>1,830.00</b>	<b>1,830.00</b>
Interest accrued but not due	0.50	0.50
<b>Total</b>	<b>1,830.50</b>	<b>1,830.50</b>



**Edelweiss Investment Adviser Limited**

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

(Currency: ₹ in Millions)

As at March 31, 2021

**Non-convertible Debentures (Secured)**

Month	ROI - 22.65%	Grand Total
June 2021	100.00	100.00
September 2021	100.00	100.00
December 2021	100.00	100.00
February 2022	1,950.00	1,950.00
<b>Total</b>		<b>2,250.00</b>
Provision for redemption premium on NCD		182.44
Interest accrued but not due		0.62
<b>Total*</b>		<b>2,433.06</b>

\* The Company has mentioned the above repayment schedule as per the agreed terms except that the repayment shall be prepaid mandatorily upon receipt of cash flow from the charges against the securities.

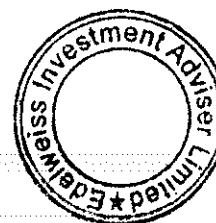
**33 Borrowings (other than debt securities)**  
**Term Loans (Unsecured - at amortised cost)**  
 Loans from related parties

	As at 31 March 2022	As at 31 March 2021
Loans from related parties	210.56	11,476.81
	<b>210.56</b>	<b>11,476.81</b>
Borrowings in India	210.56	11,476.81
Borrowings outside India	-	-
<b>Total</b>	<b>210.56</b>	<b>11,476.81</b>

**Borrowings (other than debt securities) - as at 31 March 2022**

Maturities	<1 years	1-3 years	> 3 years	Total
Rate of Interest				
15.80%	112.56	-	-	112.56
Accrued Interest	98.00	-	-	98.00
<b>Total</b>	<b>210.56</b>	<b>-</b>	<b>-</b>	<b>210.56</b>

As at 31 March 2021, borrowings were payable on demand and interest payable in the range of 11.40% - 14.70%.





# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

### 34 Trade payables

#### Details of dues to micro and small enterprises

Trade payables include ₹ 0.50 (Previous year: ₹ Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	86.80	6.32
	<u>86.80</u>	<u>6.32</u>

#### Trade Payables - Ageing

As at March 31, 2022	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	5.67	81.13	-	-	-	86.80
<b>Total</b>	<b>5.67</b>	<b>81.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>86.80</b>

As at March 31, 2021	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
(ii) Others	4.72	1.60	-	-	-	6.32
<b>Total</b>	<b>4.72</b>	<b>1.60</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.32</b>

### 35 Other financial liabilities (at amortised cost unless otherwise specified)

	As at 31 March 2022	As at 31 March 2021
Accrued salaries and benefits	-	0.12
Accrued interest on Compulsorily Convertible Debentures	0.48	-
Others	2.30	2.31
	<u>2.78</u>	<u>2.43</u>

### 36 Provisions

	As at 31 March 2022	As at 31 March 2021
Gratuity	0.22	-
Compensated absences	0.02	-
	<u>0.24</u>	<u>-</u>

### 37 Other current liabilities

	As at 31 March 2022	As at 31 March 2021
Income received in advance	5.00	0.05
Withholding taxes, Goods and service tax and other taxes payable	18.70	9.15
	<u>23.70</u>	<u>9.20</u>



# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>38 Fee and commission income</b>		
Advisory and other fees	0.48	1.20
	<b>0.48</b>	<b>1.20</b>
Service transferred at a point in time	0.48	1.20
Service transferred over time	-	-
<b>Total revenue from contract with customers</b>	<b>0.48</b>	<b>1.20</b>
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>39 Interest income</b>		
<b>On Financial assets classified at fair value through profit or loss</b>		
Interest income from securities held for trading	189.06	152.29
Interest Income - On Debt Inst - CFI	294.28	-
Interest income on real estate loans	225.00	-
<b>On Financial assets measured at amortised cost</b>		
Interest income on fixed deposits	10.07	-
Interest income on real estate loans	7.02	-
	<b>725.43</b>	<b>152.29</b>
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>40 Net gain on fair value changes</b>		
<b>Net gain/ (loss) on financial instruments at FVTPL</b>		
Profit / (loss) on trading of securities (net)	(13.47)	-
Fair value gain / (loss) on securities held for trading	(0.41)	55.30
Profit / (loss) on equity derivative instruments (net)	16.47	-
Profit/ (loss) on sale of real estate	9.17	36.22
Fair value gain / (loss) on revaluation of real estate	315.76	(3,233.47)
<b>Total net gain / (loss) on fair value changes</b>	<b>327.52</b>	<b>(3,141.95)</b>
<b>Fair value changes:</b>		
Realised gain	24.52	36.22
Unrealised (loss)/gain	303.00	(3,178.17)
<b>Total net gain / (loss) on fair value changes</b>	<b>327.52</b>	<b>(3,141.95)</b>
	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>41 Other income</b>		
Miscellaneous income	0.56	-
Interest on income tax refund	0.46	-
	<b>1.02</b>	<b>-</b>



# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

### 42 Employee benefits expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries and wages	2.45	2.81
Contribution to provident and other funds	0.35	0.17
Staff welfare expenses	-	0.19
	<b>2.80</b>	<b>3.17</b>

### 43 Finance costs

#### Interest on borrowings

Interest expense on group company loan	1,008.59	1,330.60
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#### Interest on debt securities

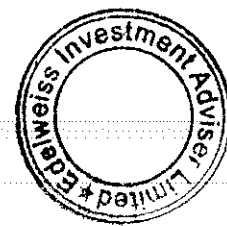
Interest on Non-Convertible Debentures	537.04	341.07
Interest on Compulsorily Convertible Debentures	0.48	-

#### Other interest expense

Interest on shortfall in payment of Advance Income Tax	0.43	-
	<b>1,546.54</b>	<b>1,671.67</b>

### 44 Impairment on financial instruments

	For the year ended 31 March 2022	For the year ended 31 March 2021
Bad- debts and advances written off	-	2.86
Reversal of provision for doubtful debts	(34.85)	(27.89)
	<b>(34.85)</b>	<b>(25.03)</b>



## Edelweiss Investment Adviser Limited

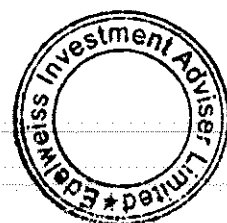
### Notes to the financial statements

(Currency: ₹ in Millions)

	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>45 Other expenses</b>		
Advertisement and business promotion	0.05	1.55
Auditors' remuneration ( <i>refer note below</i> )	1.64	1.28
Commission and brokerage	11.95	22.27
Communication	(0.12)	0.54
Insurance	-	-
Legal and professional fees	387.96	35.94
Printing and stationery	(0.07)	0.08
Rates and taxes	0.50	10.38
Rent ( <i>refer note 55</i> )	0.83	0.62
Repairs and maintenance	1.55	6.12
Electricity charges	0.02	-
Computer expenses	0.43	(0.16)
Computer software	0.02	0.11
Clearing and custodian charges	0.35	0.01
Dematerialisation charges	-	-
Loss on sale of fixed assets	0.11	0.06
Office expenses ( <i>refer note 55</i> )	-	0.67
Securities transaction tax	3.95	-
Goods and service tax expenses	0.94	(1.35)
Stamp duty	1.02	1.19
Depository Charges	11.85	
Travelling and conveyance	0.58	0.08
Warehousing charges	0.01	-
Miscellaneous expenses	0.05	-
	<b>423.62</b>	<b>79.39</b>

#### 45 A Auditors' remuneration:

Statutory Audit	1.60	1.20
Tax Audit	0.04	0.08
	<b>1.64</b>	<b>1.28</b>



# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

### 46 Income tax disclosure

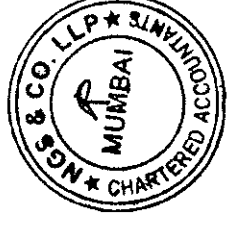
#### 46 A The components of income tax expense recognised in profit or loss for the years ended 31 March 2022 and 31 March 2021 are:

Particulars	2021-22	2020-21
Current tax	-	-
Adjustment in respect of current income tax of prior years	0.05	(8.26)
Deferred tax relating to origination and reversal of temporary differences	8.81	256.30
Deferred tax recognised on unused tax credit or unused tax losses	-	(34.47)
<b>Total tax charge</b>	<b>8.86</b>	<b>213.57</b>
<b>Total current tax</b>	<b>0.05</b>	<b>(8.26)</b>
<b>Total deferred tax</b>	<b>8.81</b>	<b>221.83</b>

#### 46 B Reconciliation of the total tax expense

The tax expense shown in the statement of profit and loss differs from the tax expense that would apply if all profits had been charged at India corporate tax rate. A reconciliation between the tax expense and the accounting profit multiplied by India's domestic tax rate for the years ended 31 March 2022 and 31 March 2021 is, as follows:

Particulars	2021-22	2020-21
<b>Profit / (Loss) before tax</b>	<b>(833.41)</b>	<b>(5,067.32)</b>
Statutory Income Tax rate	25.17%	25.17%
<b>Tax Charge at Statutory Rate</b>	<b>(209.75)</b>	<b>(1,275.34)</b>
<b>Tax effect of :</b>		
Adjustment in respect of current income tax of prior years	0.05	(8.26)
<b>Effect of non-deductible expenses:</b>		
- Reversal / (Recognition) of MAT credit	-	135.24
- Due to change in tax rates	-	121.06
- DTA on losses not recognised	209.75	1,275.34
- Reversal of deferred tax recognised on unused tax losses	8.81	(34.47)
<b>Tax charge for the year recorded in P&amp;L</b>	<b>8.86</b>	<b>213.57</b>
<b>Effective Income Tax Rate</b>	<b>(1.06%)</b>	<b>(4.21%)</b>



# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

### 46 C Table below shows deferred tax recorded in the balance sheet and changes recorded in Income tax expenses:

31 March 2022	As at March 31, 2021	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2022
<b>Deferred Tax Assets</b>					
Difference between book and tax depreciation (including intangibles)	0.40	-	-	-	0.40
Provision for doubtful debts - ECL provision	15.11	(8.81)	-	-	6.30
Unrealised loss on derivatives	-	-	-	-	-
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	362.97	-	-	-	362.97
<b>Deferred Tax Liabilities</b>					
Fair valuation of financial instruments	(182.78)	-	-	-	(182.78)
<b>Total</b>	<b>195.70</b>	<b>(8.81)</b>	<b>-</b>	<b>-</b>	<b>186.89</b>

31 March 2021	As at March 31, 2020	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2021
<b>Deferred Tax Assets</b>					
Difference between book and tax depreciation (including intangibles)	0.55	(0.15)	-	-	0.40
Provision for doubtful debts - ECL provision	2.63	12.48	-	-	15.11
Unrealised loss on derivatives	1.04	(1.04)	-	-	-
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	532.68	(169.71)	-	-	362.97
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	135.24	(135.24)	-	-	-
Disallowances under section 43B of the Income Tax Act, 1961	0.41	(0.41)	-	-	-
<b>Deferred Tax Liabilities</b>					
Unrealised gain on derivatives	(1.26)	1.26	-	-	-
Fair valuation of financial instruments	(253.77)	70.99	-	-	(182.78)
<b>Total</b>	<b>417.52</b>	<b>(221.82)</b>	<b>-</b>	<b>-</b>	<b>195.70</b>



# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

### 46 Income tax disclosure (continued)

#### 46 D Deductible temporary differences, unused tax losses and unused tax credits on which deferred tax asset is not recognised in balance sheet

As at 31 March 2022	Deductible temporary differences		Unused tax losses				Total
	Financial Year to which the loss relates to		Unabsorbed business losses		Unabsorbed depreciation		
	Amount	Expiry Year - Financial Year	Amount	Expiry Year - Financial Year	Amount	Expiry Year - Financial Year	
FY 2021-22	-	Not applicable	1,236.91	F.Y. 2029-30	-	No expiry	1,236.91
FY 2020-21	2,854.90	Not applicable	1,547.33	F.Y. 2028-29	1.44	No expiry	4,403.67
FY 2019-20	1,693.36	Not applicable	1,367.17	F.Y. 2027-28	2.34	No expiry	3,062.87
	4,548.26		4,151.41		3.78		8,703.45

As at 31 March 2021	Deductible temporary differences		Unused tax losses				Total
	Financial Year to which the loss relates to		Unabsorbed business losses		Unabsorbed depreciation		
	Amount	Expiry Year - Financial Year	Amount	Expiry Year - Financial Year	Amount	Expiry Year - Financial Year	
F.Y. 2020-21	3,170.66	Not Applicable	1,547.33	F.Y. 2028-29	1.44	No expiry	4,719.43
F.Y. 2019-20	1,693.36	Not Applicable	1,367.17	F.Y. 2027-28	2.34	No expiry	3,062.87
	4,864.02		2,914.50		3.78		7,782.30



## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: ₹ in Millions)

#### 47 Segment reporting

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

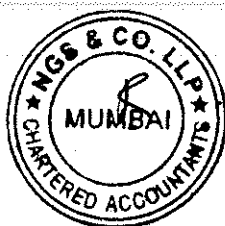
Segment	Activities covered
Capital based business	Income from investment property, loans and other capital based activities
Agency business	Broking and advisory services
Treasury business	Income from treasury operations

Income for each segment has been specifically identified. Expenditures, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

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

The following table gives information as required under the Indian Accounting Standard 108 - Operating Segment:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>I Segment revenue</b>		
a) Capital based business	2,065.94	(2,834.59)
b) Agency business	0.48	1.20
c) Treasury	31.20	-
d) Unallocated	0.46	-
Total	<b>2,098.08</b>	<b>(2,833.39)</b>
Less : Inter segment revenue	-	-
<b>Total income</b>	<b>2,098.08</b>	<b>(2,833.39)</b>
<b>II Segment results</b>		
a) Capital based business	(809.42)	(5,069.09)
b) Agency business	0.30	1.77
c) Treasury	(24.75)	-
d) Unallocated	0.46	-
Total	<b>(833.41)</b>	<b>(5,067.32)</b>
<b>Profit before taxation</b>	<b>(833.41)</b>	<b>(5,067.32)</b>
Less : Provision for taxation	8.86	213.57
<b>Profit after taxation</b>	<b>(842.27)</b>	<b>(5,280.89)</b>





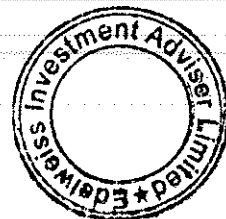
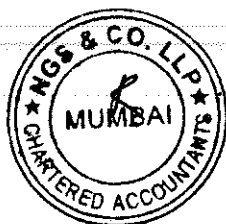
# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

### Segment reporting (continued)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>III Segment assets</b>		
a) Capital based business	7,285.29	5,745.80
b) Agency business	0.02	0.26
c) Treasury	1,144.84	-
d) Unallocated	223.41	257.27
<b>Total</b>	<b>8,653.56</b>	<b>6,003.33</b>
<b>IV Segment liabilities</b>		
a) Capital based business	10,462.39	13,919.90
b) Agency business	0.54	0.54
c) Treasury	1,216.21	-
d) Unallocated	-	16.06
<b>Total</b>	<b>11,679.14</b>	<b>13,936.50</b>
<b>V Capital expenditure (Including capital work-in-progress)</b>		
a) Capital based business	236.88	272.15
b) Agency business	-	-
c) Treasury	-	-
d) Unallocated	-	-
<b>Total</b>	<b>236.88</b>	<b>272.15</b>
<b>VI Depreciation, amortisation and impairment</b>		
a) Capital based business	(49.87)	349.68
b) Agency business	-	-
c) Treasury	-	-
d) Unallocated	-	-
<b>Total</b>	<b>(49.87)</b>	<b>349.68</b>
<b>VII Significant non-cash expenses other than depreciation and amortisation</b>		
a) Capital based business	0.52	3,268.54
b) Agency business	0.00	2.87
c) Treasury	12.35	-
d) Unallocated	-	-
<b>Total</b>	<b>12.87</b>	<b>3,271.41</b>



## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: ₹ in Millions)

#### 48 Disclosure of Related parties as required under IND AS - 24 - "Related Party Disclosure"

##### (A) Name of the related party by whom control is exercised

Edelweiss Financial Services Limited	Ultimate Holding Company
Edel Finance Company Limited	Parent of Holding Company
Edelweiss Rural & Corporate Services Limited	Holding Company

##### (B) Fellow Subsidiaries with whom transactions have taken place

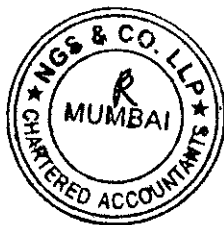
Edelweiss Alternative Asset Advisors Limited  
ECL Finance Limited  
Edelweiss Retail Finance Limited  
Edel Land Limited (Refer note (ii))  
Edelweiss Asset Management Limited  
Edelweiss Housing Finance Limited  
Edel Investments Limited  
Edelweiss Asset Reconstruction Company Limited  
Edelweiss Global Wealth Management Limited

##### Associates with whom transactions have taken place

Edelweiss Broking Limited  
Edelweiss Finance and Investments Limited  
Edelweiss Custodial Services Limited  
Edelweiss Securities Limited

##### Key managerial personnel

Ravindra Dhobale - Manager and Chief Financial Officer (w.e.f. 25 August 2021)  
Shailly Kedia - Company Secretary (w.e.f. 25 August 2021)

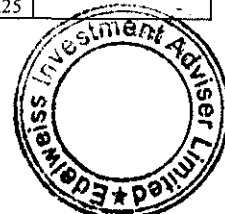
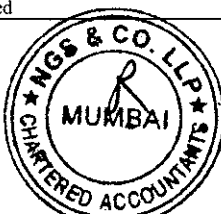


**Edelweiss Investment Adviser Limited**
**Notes to the financial statements (Continued)**

(Currency: ₹ in Millions)

**48 Disclosure of Related parties as required under IND AS - 24 - "Related Party Disclosure" (Continued)**
**Transactions and balances with Related Parties:**

Sr. No.	Nature of Transaction	Name of Related Parties	31 March 2022	31 March 2021
1	<b>Capital transactions during the year</b> Infusion of 0.01% CCD	Edelweiss Rural & Corporate Services Limited	5,750.00	-
2	<b>Current account transactions during the year</b> Short term loans taken from (refer note (i) below) - Max method	Edelweiss Rural & Corporate Services Limited Edel Land Limited	5,714.52 224.08	2,900.50 1,640.00
3	Short term loans taken from (refer note (i) below) - Total method	Edelweiss Rural & Corporate Services Limited Edel Land Limited	13,030.87 224.08	4,882.60 4,989.72
4	Short term loans repaid to (refer note (i) below) - Max method	Edelweiss Rural & Corporate Services Limited Edel Land Limited	5,750.00 112.04	1,500.00 2,900.50
5	Short term loans repaid to (refer note (i) below) - Total method	Edelweiss Rural & Corporate Services Limited Edel Land Limited	9,190.96 112.04	3,230.20 6,492.51
6	Interest expenses on loan from	Edelweiss Rural & Corporate Services Limited Edel Land Limited	994.95 13.64	1,023.77 306.82
7	Interest income on margin from	Edelweiss Custodial Services Limited	-	0.00
8	Purchase of investment in Debt Securities held for trading	Edel Finance Company Limited Edel Land Limited Edel Investments Limited	- 1,211.00 314.37	1,633.94 - -
9	Sale of debt securities	Edel Land Limited	312.92	-
10	Cost reimbursement paid to	Edelweiss Rural & Corporate Services Limited Edelweiss Securities Limited Edelweiss Financial Services Limited Edel Land Limited Edelweiss Broking Limited Edelweiss Alternative Asset Advisors Limited	0.02 0.42 - - - -	0.18 0.16 0.02 0.07 0.29 0.19
11	Tax reimbursement paid to	Edelweiss Rural & Corporate Services Limited	-	0.01
12	Amount received for cash segment	Edel Investments Limited	0.75	-
13	Amount paid for cash segment	Edel Investments Limited	0.78	-
14	Office Expenses	Edelweiss Rural & Corporate Services Limited Edelweiss Financial Services Limited	0.00 -	0.66 0.00
15	Trade exposure charges paid to	Edelweiss Custodial Services Limited	7.77	-
16	Clearing charges paid to	Edelweiss Custodial Services Limited	0.28	-
17	Commission and Brokerage paid to	Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Housing Finance Limited	0.81 - -	2.21 0.01 0.28
18	Management and Advisory Fees paid to	Edelweiss Alternative Asset Advisors Limited ECL Finance Limited	15.46 326.60	9.32 -
19	Margins placed with (refer note (i) below) - Max method	Edelweiss Securities Limited Edelweiss Custodial Services Limited Edel Investments Limited	- 22.66 1.14	2.21 2.36 -
20	Margins placed with (refer note (i) below) - Total method	Edelweiss Custodial Services Limited Edelweiss Securities Limited Edel Investments Limited	572.11 - 7.20	6.00 2.21 -
21	Margins withdrawn (refer note (i) below) - Max method	Edelweiss Custodial Services Limited Edelweiss Securities Limited Edel Investments Limited	20.22 - 1.11	1.18 2.21 -
22	Margins withdrawn (refer note (i) below) - Total method	Edelweiss Custodial Services Limited Edelweiss Securities Limited Edel Investments Limited	569.67 - 7.25	3.64 2.21 -



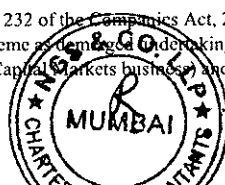
**Edelweiss Investment Adviser Limited**
**Notes to the financial statements (Continued)**

(Currency: ₹ in Millions)

Sr. No.	Nature of Transaction	Name of Related Parties	31 March 2022	31 March 2021
23	Insurance expenses paid to	Edelweiss Financial Services Limited	-	0.18
24	Sale of Fixed Assets to	Edelweiss Financial Services Limited	0.00	-
		Edelweiss Securities Limited	0.01	-
		Edelweiss Finance & Investment Limited	0.00	-
		Edelweiss Housing Finance Limited	0.00	-
		Edelweiss Rural & Corporate Services Limited	0.00	-
		Edelweiss Alternative Asset Advisors Limited	-	0.00
		Edelweiss Asset Management Limited	0.12	0.00
		Edelweiss Broking Limited	0.01	0.11
		Edel Investments Limited	0.00	0.00
		ECL Finance Limited	0.00	0.01
		Edelweiss Global Wealth Management Limited	-	0.00
		Edelweiss Asset Reconstruction Company Limited	-	0.01
25	Interest income on investment in debt securities held for trading	Edelweiss Asset Reconstruction Company Limited	160.87	152.29
		Edelweiss Rural & Corporate Services Limited	24.70	-
		Edel Land Limited	3.50	-
26	Transfer of gratuity liability on account of employee transfer to	Edelweiss Broking Limited	-	0.95
27	Interest expense on CCD	Edelweiss Rural & Corporate Services Limited	0.48	-
28	Share Warrant purchased from	Edelweiss Rural & Corporate Services Limited	111.93	-
29	NCD Loan purchased from	Edel Land Limited	1,589.28	-
30	Remuneration paid to	Ravindra Dhobale	1.97	-
31	Redemption of investment in debt securities held for trading	Edelweiss Asset Reconstruction Company Limited	191.63	195.46
<b>Balances with related parties</b>				
32	Short term loan taken from	Edelweiss Rural & Corporate Services Limited	9,492.31	11,366.92
		Edel Land Limited	112.56	0.00
33	Trade payables to	Edelweiss Rural & Corporate Services Limited	-	0.09
		ECL Finance Limited	80.36	0.00
		Edelweiss Financial Services Limited	-	0.04
		Edelweiss Alternative Asset Advisors Limited	-	0.88
		Edelweiss Securities Limited	0.22	-
		Edel Land Limited	-	0.01
34	Other payables to	Edelweiss Broking Limited	-	0.01
		Edelweiss Financial Services Limited	-	0.00
		Edelweiss Rural & Corporate Services Limited	0.48	-
35	Accrued interest expenses on loan taken from	Edelweiss Rural & Corporate Services Limited	96.76	85.36
		Edel Land Limited	1.24	24.02
36	Trade receivables from	Edelweiss Alternative Asset Advisors Limited	2.31	-
		Edelweiss Rural & Corporate Services Limited	0.01	-
		Edelweiss Broking Limited	0.00	0.03
		Edelweiss Asset Management Limited	0.10	0.04
		Edel Investments Limited	-	0.00
		ECL Finance Limited	0.00	-
37	Other receivables from	Edel Finance Company Limited	1.09	-
38	Investment in debt securities held for trading	Edelweiss Asset Reconstruction Company Limited	1,301.86	1,493.98
		Edelweiss Rural & Corporate Services Limited	804.87	-
		Edel Land Limited	316.90	-
39	Margin receivable from	Edelweiss Custodial Services Limited	5.46	2.36
		Edel Investments Limited	0.45	-
41	Margin payable to	Edel Investments Limited	0.50	-

**Note:**

- Loan given/taken to/ from related parties and margin money placed / refund received with/ from related parties are disclosed based on the maximum of debit and credit of transactions and total of debit and credit of transactions amount given/taken and placed/refund received during the reporting period.
- Pursuant to the composite scheme of arrangement and amalgamation under section 230 to 232 of the Companies Act, 2013, Edel Land Limited ('Amalgamated or Resulting Company'), ECap Equities Limited ('Demerged Company' - defined in the scheme as demerged undertaking and thereby entire activities, business, operations and undertakings of the Demerged Company forming part of the Trading and Capital Markets business) and EC Commodity Limited ('Amalgamating Company') has been amalgamated with effect from 01 April 2020 ('the Appointed date').



**Edelweiss Investment Adviser Limited****Notes to the financial statements (Continued)**

(Currency: ₹ in Millions)

**49 Earnings per share**

In accordance with Indian Accounting Standard 33 on "Earnings Per Share" as prescribed under Section 133 of the companies Act 2013, read with Rule 7 of the companies (Accounts) Rules, 2014. The computation of earnings per share is set out below:

	2022	2021
a) Profit /(loss) for the year	(842.27)	(5,280.89)
b) Calculation of weighted average number of Equity Shares of ₹ 10 each:		
- Number of equity shares at the beginning of the year	10,05,50,000	10,05,50,000
- Number of equity shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	<u>10,05,50,000</u>	<u>10,05,50,000</u>
Number of dilutive potential equity shares	57,50,00,000	-
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	57,94,54,110	10,05,50,000
c) Basic and diluted earnings per share (in ₹) (a/b)	(1.45)	(52.52)

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

**Contingent liabilities, commitments and earnings and expenditure in foreign currency:****50 Contingent liabilities**

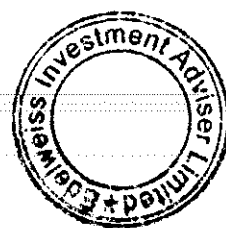
- o Taxation matters in respect of which appeal is pending ₹ 0.02 as at 31 March 2022 (Previous Year: Nil)
- o Litigation pending against company amounts to ₹ 177.90 as at 31 March 2022 (Previous Year: Nil) on account of ammended value proposed by regulation authority in the case of IDBI Trusteeship Ltd v/s. Ornate Spaces Ltd.

**51 Capital commitments**

Undrawn committed credit lines subject to meeting of conditions, ₹ 286.00 (Previous year: ₹ 325.00) as at the balance sheet date.

**52 Earnings and expenditure in foreign currency**

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



### 53 Employee Benefits

#### a) Defined contribution plan - Provident funds

In accordance with Employees' Provident Fund and Miscellaneous Provisions Act, 1952, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognized provident fund administered by Regional Provident Fund Commissioner. The employees contribute 12% of their basic salary and the Company contributes an equal amount.

The Company recognised ₹ 0.20 (Previous year: ₹ 0.17) for provident fund and other contributions in the statement of profit and loss.

#### b) Defined contribution plan - Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

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

	March 31, 2022	March 31, 2021
<b>Present Value of DBO at Start of the year</b>	-	0.99
Service Cost	-	-
Current Service Cost	0.10	-
Interest Cost	0.05	0.00
Benefits Paid	-	-
Re-measurements	-	-
a. Actuarial Loss/(Gain) from changes in demographic assumptions	0.02	-
b. Actuarial Loss/(Gain) from changes in financial assumptions	(0.05)	-
c. Actuarial Loss/(Gain) from experience over last past year	0.17	(0.03)
Transfer In / (Out)	1.09	(0.96)
<b>Present Value of DBO at end of the year</b>	<b>1.38</b>	<b>-</b>

#### Expenses recognised in the Profit or Loss

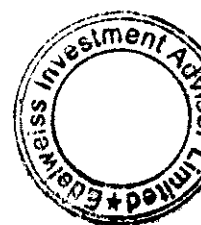
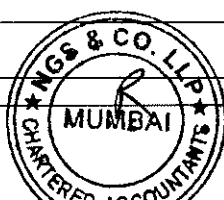
	March 31, 2022	March 31, 2021
Service Cost	-	-
Current Service Cost	0.10	-
Net Interest on net defined benefit liability / (asset)	0.05	0.00
Changes in foreign exchange rate	-	-
<b>Total included in 'Employee benefits expense'</b>	<b>0.15</b>	<b>0.00</b>

#### Net Liability / (Asset) recognised in the Balance sheet

	March 31, 2022	March 31, 2021
Present Value of DBO	1.38	-
Fair Value of Plan Assets	-	-
<b>Net Liability/ (Asset)</b>	<b>1.38</b>	<b>-</b>
Funded Status [Surplus/ (Deficit)]	(1.38)	-
Less: Amount not recognized as asset [Effect of limiting net assets to asset ceiling]	-	-
<b>Net (Liability)/ Asset recognised in the Balance Sheet</b>	<b>(1.38)</b>	<b>-</b>
Of which, Short term Liability	0.22	-
Experience Adjustment on Plan Liabilities: (Gain)/Loss	0.17	(0.03)

#### Actuarial assumptions:

	March 31, 2022	March 31, 2021
Salary Growth Rate (% p.a)	7.00%	NA
Discount Rate (% p.a)	5.90%	NA
Interest Rate on Net DBO/ (Asset) (% p.a.)	5.00%	NA
Withdrawal Rate (% p.a)	-	-
Senior	16.00%	NA
Middle	16.00%	NA
Junior	16.00%	NA
Mortality Rate	IALM 2012-14 (Ultimate)	NA
Expected weighted average remaining working life (years)	4.00	NA



## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: ₹ in Millions)

#### 53 Employee Benefits

##### Movement in Other Comprehensive Income

	March 31, 2022	March 31, 2021
<b>Balance at start of year (Loss)/ Gain</b>	<b>0.11</b>	<b>0.08</b>
<i>Re-measurements on DBO</i>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	(0.02)	-
b. Actuarial Loss/(Gain) from changed in financials assumptions	0.05	-
c. Actuarial Loss/(Gain) from experience over last past year	(0.17)	0.03
<b>Balance at end of year (Loss)/ Gain</b>	<b>(0.03)</b>	<b>0.11</b>

##### Sensitivity Analysis

<b>DBO increases / (decreases ) by</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
1 % Increase in Salary Growth Rate	0.07	NA
1 % Decrease in Salary Growth Rate	(0.06)	NA
1 % Increase in Discount Rate	(0.07)	NA
1 % Decrease in Discount Rate	0.07	NA
1 % Increase in Withdrawal Rate	(0.00)	NA
1 % Decrease in Withdrawal Rate	0.00	NA
Mortality (Increase in expected lifetime by 1 year)	-	NA
Mortality (Increase in expected lifetime by 3 year)	-	NA

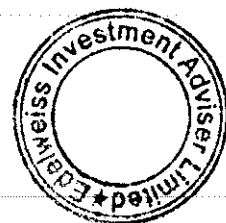
Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

##### Movement in Surplus / (Deficit)

	March 31, 2022	March 31, 2021
<b>Surplus / (Deficit) at start of year</b>	<b>(0.00)</b>	<b>(0.99)</b>
Net (Acquisition) / Divestiture	-	-
Net Transfer (In)/ Out	(1.09)	0.96
<i>Movement during the year</i>		
Current Service Cost	(0.10)	-
Past Service Cost	-	-
Net Interest on net DBO	(0.05)	(0.00)
Changes in foreign exchange rate	-	-
Re-measurements	(0.14)	0.03
Contributions / Benefits	-	-
<b>Surplus / (Deficit) at end of year</b>	<b>(1.38)</b>	<b>(0.00)</b>

#### c) Compensated absences :

The Company provides for accumulated compensated absences as at the balance sheet date using projected unit credit method based on actuarial valuation. The leave encashment on separation is paid on basic salary.



## Edelweiss Investment Adviser Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in Millions)

#### 54 Employee Stock Option Plans

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

#### 55 Cost sharing

Edelweiss Financial Services and its group companies provide necessary business and management oversights to its various subsidiaries inter-alia in the form of business and strategy planning, stake holder relation, marketing & publication, technology support, HR Policies including leadership & development of employees, governance and regulatory policies, policy advocacy, legal & litigation handling framework etc. (here in after collectively referred to as "Business and Management oversight"). Subsidiaries of Edelweiss group thus get benefitted from the oversight of expenses incurred by group companies. It is therefore imperative that expenses if incurred on providing such oversight, to be shared by its subsidiaries.

The group companies provide business and support services to each other basis of the signed agreed terms. The services provided are with the intent to create synergies at group level for e.g. sharing of empty spaces with the group companies, having common HR and admin teams, using one's available resource for the benefit of the group.

In consideration of the business and management oversight by Edelweiss group, the beneficiaries shall share and pay towards the costs, as agreed. It is expressly agreed between the parties that sharing of these cost shall be on the total cost over the financial year (April to March) adequate to compensate the function performed, assets employed and risks assumed by group companies and will be determined by the beneficiaries and edelweiss group companies. The amount payable by the beneficiaries will be reviewed intermittently and any amendment to the same will be mutually agreed upon in writing by the parties. For the purpose of total cost means all operating expense including but not limited to, normal recurring cost such as office rent, communication charges, salaries, employee benefits, cost of approved third party vendor, depreciation on assets used and amortization.

#### 56 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 manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

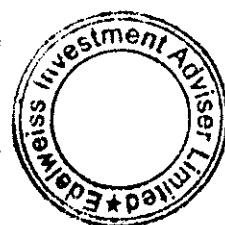
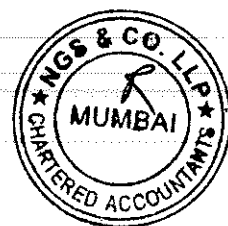
The Company is not subject to any regulatory capital requirements.

#### 57 Risk Management

The company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

##### Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles. The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee. The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Global Risk Company is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.





## 57 Risk Management (Continued)

**Credit risk**

Credit risk is the risk of financial loss the Company may face due to current/potential inability or unwillingness of a customer or counterparty to meet financial /contractual obligations. Credit risk also covers the possibility of losses associated with diminution in the credit quality of borrowers or counterparties. The Company has adopted a policy of dealing with creditworthy counterparties and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

**Liquidity risk**

Liquidity risk emanates from the possible mismatches due to differences in maturity and repayment profile of assets and liabilities. To avoid such a scenario, the Company has maintained cash reserves in the form of Fixed Deposits, Cash, Loans which are callable any time at the Company's discretion, etc. These assets carry minimal credit risk and can be liquidated in a very short period of time. These would be to take care of immediate obligations while continuing to honour commitments as a going concern.

**Analysis of financial assets and liabilities by remaining contractual maturities**

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. All OTC derivatives used for hedging are shown by maturity, based on their contractual undiscounted payment obligations. All exchange traded derivatives held for trading are analyzed based on expected maturity.

**Equity and Index Price Risk**

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

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

2021-22				
Impact on	Increase in equity price (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Derivative financial instruments	5	(0.60)	5	0.60
Securities held for trading	5	65.09	5	(65.09)

2020-21				
Impact on	Increase in equity price (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Securities held for trading	5	74.70	5	(74.70)

**Interest Rate Risk:**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company's policy is to monitor positions on a daily basis and hedging strategies are used to ensure positions are maintained within the established limits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity. The sensitivity to profit before tax is the effect of the assumed changes in interest rates on the profit before tax for the year, based on the floating rate financial assets and financial liabilities held at reporting date. Thus, the sensitivity analysis has been prepared assuming the amount of the floating-rate financial liability and financial assets outstanding at the end of the reporting period was outstanding for the whole year.

2021-22				
Impact on	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Borrowings other than debt securities	0.25	24.01	0.25	(24.01)

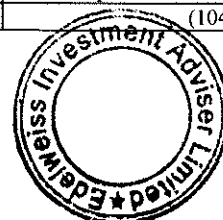
2020-21				
Impact on	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Borrowings other than debt securities	0.25	28.42	0.25	(28.42)

**Other Price Risk:**

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

2021-22				
Impact on	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Securities held for trading	5	56.09	5	(56.09)
Loans classified at FVTPL	5	168.09	5	(168.09)

2020-21				
Impact on	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Loans classified at FVTPL	5	104.47	5	(104.47)



# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

### 53 Fair value Measurement

#### A Valuation Principles :

Fair value 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 a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 58 F

#### B Valuation governance :

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Group including the risk and finance functions.

Where fair values are determined by reference to externally quoted prices or observable pricing inputs to models, independent price determination or validation is used. For inactive markets, Company sources alternative market information, with greater weight given to information that is considered to be more relevant and reliable.

The responsibility of ongoing measurement resides with the business and product line divisions. However Finance department is responsible for establishing procedures governing valuation and ensuring fair values are in compliance with accounting standards.

#### C Fair value hierarchy

Level 1 – valuation technique using quoted market price: financial instruments with quoted prices for identical instruments in active markets that company can access at the measurement date.

Level 2 – valuation technique using observable inputs: 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.

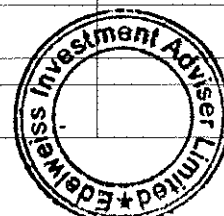
Level 3 – valuation technique with significant unobservable inputs: Those that include one or more unobservable input that is significant to the measurement as whole.

#### D The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy. Exchange traded and OTC derivatives are at gross amount i.e. before offsetting margin money. The impact of offsetting is explained in note 21.1.

As at 31 March 2022				
Particulars	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments (assets):</b>				
Exchange-traded derivatives	17.16	-	-	17.16
<b>Total derivative financial instruments (assets)</b>	<b>17.16</b>	<b>-</b>	<b>-</b>	<b>17.16</b>
<b>Securities held for trading :</b>				
Securities held for trading	-	1,121.78	1,301.86	2,423.64
<b>Total securities held for trading</b>	<b>-</b>	<b>1,121.78</b>	<b>1,301.86</b>	<b>2,423.64</b>
<b>Loans :</b>				
Loans classified as FVTPL	-	-	3,361.82	3,361.82
<b>Total loans measured at fair value</b>	<b>-</b>	<b>-</b>	<b>3,361.82</b>	<b>3,361.82</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>17.16</b>	<b>1,121.78</b>	<b>4,663.68</b>	<b>5,802.62</b>

As at 31 March 2021				
Particulars	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value on a recurring basis</b>				
<b>Securities held for trading :</b>				
Securities held for trading	-	-	1,493.98	1,493.98
<b>Total securities held for trading</b>	<b>-</b>	<b>-</b>	<b>1,493.98</b>	<b>1,493.98</b>
<b>Loans:</b>				
Loans classified as FVTPL	-	-	2,089.30	2,089.30
<b>Total loans measured at fair value</b>	<b>-</b>	<b>-</b>	<b>2,089.30</b>	<b>2,089.30</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	<b>-</b>	<b>-</b>	<b>3,583.28</b>	<b>3,583.28</b>

As at 31 March 2022				
Particulars	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments (liabilities):</b>				
Exchange-traded derivatives	29.17	-	-	29.17
<b>Total financial liabilities measured at fair value on a recurring basis</b>	<b>29.17</b>	<b>-</b>	<b>-</b>	<b>29.17</b>



## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: ₹ in Millions)

#### F Fair valuation techniques :

##### Securities held for trading

The market for these securities is not active. Therefore, the Company uses valuation techniques to measure their fair values. Since the debt securities are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Debt securities with significant unobservable valuation inputs are classified as Level 3.

##### Loans measured at fair value through profit or loss

Loans are segregated, as far as possible, into portfolios of similar characteristics. Fair values are based on observable market transactions, when available. When they are unavailable, fair values are estimated using valuation models incorporating range of input assumptions. Company has determined fair value with help of internal valuation team and independent valuer on case to case basis. Valuation is based on discounted cash flow, comparable transaction market price, market research and marked trend as considered appropriate.

##### Debt securities

Whilst most of these instruments are standard fixed or floating rate securities, however nifty linked debentures have embedded derivative characteristics. Fair value of these instruments is derived based on the indicative quotes of price and yields prevailing in the market as at the reporting date. Company has used quoted price of national stock exchange wherever bonds are traded actively. In cases where debt securities are not actively traded Company has used CRISIL Corporate Bond Valuer model for measuring fair value.

##### Equity instruments

The majority of equity instruments are actively traded on recognised stock exchanges with readily available active prices on a regular basis. Such instruments are classified as Level 1. Equity instruments in non-listed entities are initially measured at transaction price and re-measured at each reporting date at valuation provided by external valuer at instrument level. Such unlisted equity securities are classified at Level 3.

##### Derivatives

The Company enters into derivative financial instruments with various counter-parties, primarily banks with investment grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, exchange traded futures and options contracts. The most frequently applied valuation techniques include quoted price for exchange traded derivatives and Black Scholes models (for option valuation).

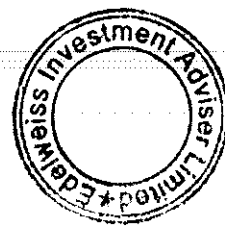
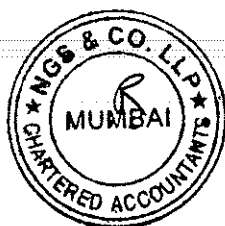
##### Exchange traded derivatives

Exchange traded derivatives includes index/stock options, index/stock futures, company uses exchange traded prices to value these derivative and classify these instrument as level 1.

##### Embedded derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

Company uses valuation models. Inputs to valuation models are determined from observable market (Indices) data wherever possible, including prices available from exchanges, dealers, brokers. Company classify these embedded derivative as level 2 instruments



## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: ₹ in Millions)

#### 58 Fair Values of Financial Instruments (Continued)

##### G Transfer between Level 1 and level 2

During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

##### H Valuation methodologies of financial instruments not measured at fair value:

Below are the methodologies and assumptions used to determine fair values for the above financial instruments which are not recorded and measured at fair value in the Company's financial statements. These fair values were calculated for disclosure purposes only. The below methodologies and assumptions relate only to the instruments in the above tables and, as such, may differ from the techniques as explained in Notes 58 F

##### Financial assets at amortised cost

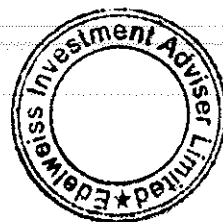
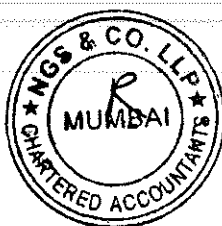
The fair values financial assets measured at amortised cost are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk.

##### I Movement in level 3 financial instruments measured at fair value

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

Particulars	Financial assets		
	Loans at FVTPL	Securities held for trading	Total
At 01 April 2021	2,089.30	1,493.98	3,583.28
Purchase	1,590.71	-	1,590.71
Sales / repayment received	(971.51)	(191.83)	(1,163.34)
Accrued Interest Income	225.63	0.12	225.75
Gains / (losses) for the period recognised in profit or loss -Unrealised	427.69	(0.41)	427.28
Gains / (losses) for the period recognised in profit or loss -Realised	-	-	-
At 31 March 2022	3,361.82	1,301.86	4,663.68

Particulars	Financial assets		
	Loans at FVTPL	Securities held for trading	Total
At 01 April 2020	5,479.21	-	5,479.21
Purchase	33.75	1,633.94	1,667.69
Sales / repayment received	(111.44)	(195.47)	(306.91)
Accrued Interest Income	-	0.21	0.21
Gains / (losses) for the period recognised in profit or loss -Unrealised	(3,268.54)	55.30	(3,213.24)
Gains / (losses) for the period recognised in profit or loss -Realised	(43.68)	-	(43.68)
At 31 March 2021	2,089.30	1,493.98	3,583.28



# Edelweiss Investment Adviser Limited

Notes to the financial statements

(Currency: ₹ in Millions)

## 58 Fair Values of Financial Instruments (Continued)

### J Unobservable inputs used in measuring fair value categorised within level 3

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

Type of financial Instruments	Fair value of asset as on 31 March 2022	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Non-convertible debentures issued	1,301.86	Discounted projected cash flow	Expected gross recoveries Discount rates	17.91-1.07 11.50% to 12.50%	5% 50 basis point	65.09 (6.51)	5% 0.50%	(65.09) 6.51
Loans classified as FVTPL	2,362.31	Comparable transaction value	Discounting rate	15%-20%	1% in its value	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value	1% in its value	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value
Loans classified as FVTPL	999.51	Comparable transaction value	Discounting rate	15%-20%	1% in its value	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value	1% in its value	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value

Type of financial Instruments	Fair value of asset as on 31 March 2021	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Non-convertible debentures issued	1,493.98	Discounted projected cash flow	Expected gross recoveries Discount rates	23.65-1.24 11.50% to 12.50%	5% 0.50%	105.50 (24.16)	5% 0.50%	(105.50) 24.71
Loans classified as FVTPL	2,089.30	Comparable transaction value	Discounting rate	15%-20%	1% in its value	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value	1% in its value	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value



## Edelweiss Investment Adviser Limited

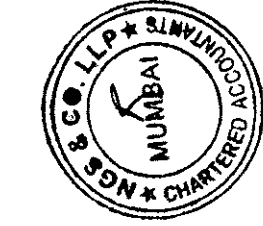
### Notes to the financial statements

(Currency: ₹ in Millions)

#### 59 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	As at 31 March 2022			As at 31 March 2021		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cash equivalent and other bank balances	15.77	-	15.77	2.27	-	2.27
Bank balances other than cash and cash equivalents	665.48	-	665.48	46.33	-	46.33
Derivative financial instruments	17.16	17.16	-	-	-	-
Securities held for trading	2,423.64	2,423.64	-	1,493.98	1,493.98	-
Loans	3,463.89	-	3,463.89	2,191.37	-	2,191.37
Trade receivables	2.45	-	2.45	12.35	-	12.35
Other Financial assets	142.76	5.90	136.86	21.04	2.36	18.68
<b>Total</b>	<b>6,731.15</b>	<b>2,446.70</b>	<b>4,284.45</b>	<b>3,767.34</b>	<b>1,496.34</b>	<b>2,271.00</b>
<b>Liability</b>						
Derivative financial instruments	29.17	29.17	-	-	-	-
Borrowings (other than debt securities)	9,702.87	-	9,702.87	11,476.81	-	11,476.81
Debt securities	1,830.50	-	1,830.50	2,433.06	-	2,433.06
Trade payables	86.80	-	86.80	6.32	-	6.32
Other financial liabilities	2.78	-	2.78	2.43	-	2.43
<b>Total</b>	<b>11,652.12</b>	<b>29.17</b>	<b>11,622.95</b>	<b>13,918.62</b>	<b>-</b>	<b>13,918.62</b>



# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

### 60 Disclosure related to collateral

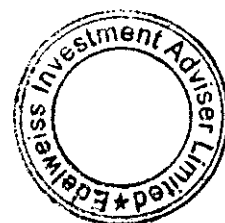
Following table sets out availability of Company's financial and non financial assets to support funding

As at 31 March 2022	Pledge as collateral	Others <sup>1</sup>	Available as collateral	Others <sup>2</sup>	Total carrying amount
Cash and cash equivalent including bank balance	-	-	15.77	-	15.77
Bank balances other than cash and cash equivalents	665.48	-	-	-	665.48
Securities held for trading	1,536.19	-	887.45	-	2,423.64
Trade Receivables	-	-	2.45	-	2.45
Loans	1,101.58	-	2,362.31	-	3,463.89
Other financial assets	-	-	142.66	0.10	142.76
Investment Property	159.74	-	1,453.22	-	1,612.96
Property, Plant and Equipment	-	-	0.22	-	0.22
<b>Total Assets</b>	<b>3,462.99</b>	<b>-</b>	<b>4,864.08</b>	<b>0.10</b>	<b>8,327.17</b>

As at 31 March 2021	Pledge as collateral	Others <sup>1</sup>	Available as collateral	Others <sup>2</sup>	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	2.27	2.27
Bank balances other than cash and cash equivalents	46.33	-	-	-	46.33
Securities held for trading	1,493.98	-	-	-	1,493.98
Trade Receivables	-	-	12.35	-	12.35
Loans	102.07	-	2,089.30	-	2,191.37
Other financial assets	18.45	-	2.49	0.10	21.04
Investment Property	643.84	-	1,331.75	-	1,975.59
Property, Plant and Equipment	-	-	0.70	-	0.70
<b>Total Assets</b>	<b>2,304.67</b>	<b>-</b>	<b>3,436.59</b>	<b>2.37</b>	<b>5,743.63</b>

<sup>1</sup> Represents assets which are not pledged and Group believes it is restricted from using to secure funding for legal or other reason.

<sup>2</sup> Represents assets which are not restricted for use as collateral, but that the Group would not consider readily available to secure funding in the normal course of business.



**61 Analysis of non-derivative financial liabilities, non-derivative financial assets, derivatives and financial commitments by remaining contractual maturities**

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

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

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

As at 31 March 2022	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	-	86.80	-	-	-	-	86.80
Debt securities	-	1,830.50	-	-	-	-	1,830.50
Borrowings (other than debt securities)	-	-	-	113.80	9,589.07	-	9,702.87
Other financial liabilities	-	2.78	-	-	-	-	2.78
<b>Total undiscounted non-derivative financial liabilities</b>	-	<b>1,920.08</b>	-	<b>113.80</b>	<b>9,589.07</b>	-	<b>11,622.95</b>

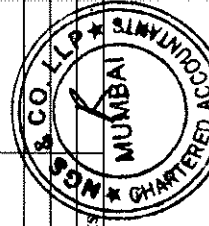
As at 31 March 2021	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	-	6.32	-	-	-	-	6.32
Debt securities	-	-	-	2,433.06	-	-	2,433.06
Borrowings (other than debt securities)	11,476.81	-	-	-	-	-	11,476.81
Other financial liabilities	-	2.43	-	-	-	-	2.43
<b>Total undiscounted non-derivative financial liabilities</b>	<b>11,476.81</b>	<b>8.75</b>	-	<b>2,433.06</b>	-	-	<b>13,918.62</b>

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

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

As at 31 March 2022	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalents	15.77	-	-	-	-	-	15.77
Bank balances other than cash and cash equivalents	665.48	-	-	-	-	-	665.48
Securities held for trading	-	2,423.64	-	-	-	-	2,423.64
Trade receivables	-	2.45	-	-	-	-	2.45
Loans	-	4.44	-	-	3,390.57	68.88	3,463.89
Other financial assets	-	142.76	-	-	-	-	142.76
<b>Total undiscounted non-derivative financial assets</b>	<b>681.25</b>	<b>2,573.29</b>	-	-	<b>3,390.57</b>	<b>68.88</b>	<b>6,713.99</b>

As at 31 March 2021	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalents	2.27	-	-	-	-	-	2.27
Bank balances other than cash and cash equivalents	46.33	-	-	-	-	-	46.33
Securities held for trading	-	-	-	1,493.98	-	-	1,493.98
Trade receivables	-	12.35	-	-	-	-	12.35
Loans	-	-	-	265.86	816.50	1,109.01	2,191.37
Other financial assets	-	21.04	-	-	-	-	21.04
<b>Total undiscounted non-derivative financial assets</b>	<b>48.60</b>	<b>33.39</b>	-	<b>1,759.84</b>	<b>816.50</b>	<b>1,109.01</b>	<b>3,767.34</b>





# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

### 61 Analysis of non-derivative financial liabilities, non-derivative financial assets, derivatives and financial commitments by remaining contractual maturities

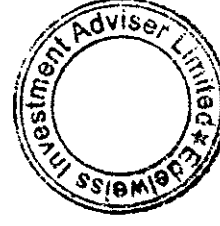
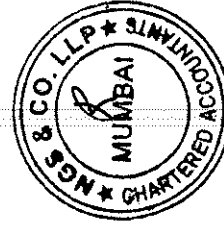
C. All derivatives which are entered into for trading purpose are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

As at 31 March 2022	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Net settled derivatives entered into for trading purposes	-	(12.01)	-	-	-	-	(12.01)
<b>Total</b>	-	(12.01)	-	-	-	-	(12.01)

### D. The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments

As at 31 March 2022	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Other commitments	-	-	-	-	286.00	-	286.00
<b>Total</b>	-	-	-	-	286.00	-	286.00

As at 31 March 2021	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Other commitments	-	-	-	35.00	153.00	-	188.00
<b>Total</b>	-	-	-	35.00	153.00	-	188.00



# Edelweiss Investment Adviser Limited

## Notes to the financial statements

(Currency: ₹ in Millions)

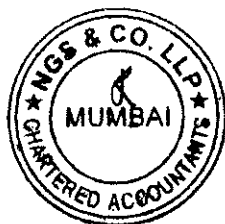
### 62 Analysis of risk concentration

#### Industry analysis - risk concentration for 31 March 2022

Particulars	Financial services	Construction	Others	Total
<b>Financial assets</b>				
Cash and cash equivalent and other bank balances	15.77	-	-	15.77
Bank balances other than cash and cash equivalents	665.48	-	-	665.48
Derivative financial instruments	17.16	-	-	17.16
Securities held for trading	2,423.64	-	-	2,423.64
Trade and other receivables	2.45	-	-	2.45
Loans	-	3,463.89	-	3,463.89
Other financial assets	7.22	135.54	-	142.76
<b>Total</b>	<b>3,131.72</b>	<b>3,599.43</b>	<b>-</b>	<b>6,731.15</b>

#### Industry analysis - risk concentration for 31 March 2021

Particulars	Financial services	Construction	Others	Total
<b>Financial assets</b>				
Cash and cash equivalent and other bank balances	2.27	-	-	2.27
Bank balances other than cash and cash equivalents	46.33	-	-	46.33
Securities held for trading	1,493.98	-	-	1,493.98
Trade and other receivables	12.35	-	-	12.35
Loans	-	2,191.37	-	2,191.37
Other financial assets	2.59	18.45	-	21.04
<b>Total</b>	<b>1,557.52</b>	<b>2,209.82</b>	<b>-</b>	<b>3,767.34</b>



The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal grading and year-end stage classification. The amounts presented are gross of impairment allowances.

**a Loans at amortised cost**

Particulars	31-Mar-22			31-Mar-21				
	Stage I	Stage II	Stage III	Total	Stage I	Stage II	Stage III	Total
Performing	-	140.60	-	140.60	-	140.60	-	140.60
Standard grade	-	140.60	-	140.60	-	140.60	-	140.60
Total	-	140.60	-	140.60	-	140.60	-	140.60

**b Reconciliation of changes in gross carrying amount and corresponding ECL allowances for loans and advances to corporate and retail customers:**

The following disclosure provides stage wise reconciliation of the Company's gross carrying amount and ECL allowances for loans and advances to corporates and retail customers. The transfers of financial assets represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

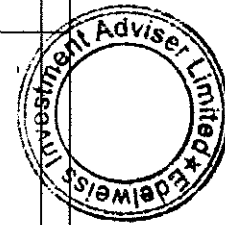
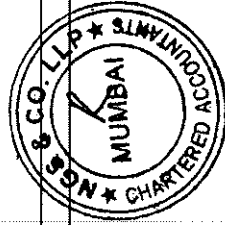
The 'New assets originated /repayments received (net)' represent the gross carrying amount and associated allowance ECL impact from transactions within the Company's lending portfolio.

## Reconciliation / movement for the year ended March 31, 2022

Particulars	Non credit impaired			Credit impaired		Total
	Stage I		Stage II		Stage III	
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL		
Opening balance	-	-	140.60	38.53	-	140.60
Transfer of financial assets	-	-	-	-	-	-
Closing balance	-	-	140.60	38.53	-	140.60

## Reconciliation / movement for the year ended March 31, 2021

Particulars	Non credit impaired				Credit impaired		Total
	Stage I		Stage II		Stage III		
	Gross Carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	Gross carrying Amount	Allowance for ECL	
Opening balance New assets originated /repayments received (net)	-	-	205.79 (65.20)	56.39 (17.87)	-	-	205.79 (65.20)
Closing balance	-	-	140.60	38.53	-	-	140.60 38.53



## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: ₹ in Millions)

#### 64 Details of Benami Property held

There have been no proceedings initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

#### 65 Details of borrowings from banks or financial institutions on the basis of security of current assets

The Company has not been sanctioned any type of loan from banks or financial institutions during any point of time of the year on the basis of security of current assets.

#### 66 Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any other lender.

#### 67 Relationship with Struck off Companies

The Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

#### 68 Registration of charges or satisfaction with Registrar of Companies (ROC)

The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

#### 69 Undisclosed income

The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

#### 70 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

#### 71 Loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person

During the year the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

#### 72 Corporate Social Responsibility (CSR)

Section 135 of Companies Act, 2013 is not applicable to the Company for the current financial year.

#### 73 Revaluation of PPE

The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

#### 74 Declaration of Dividend

During the year Company has not declared or paid any dividend.

#### 75 Utilisation of Borrowed funds and share premium

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

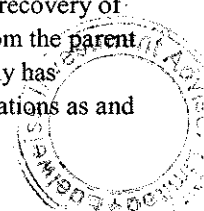
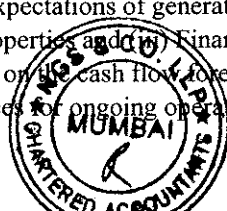
(ii) provide any guarantee, security, or the like to or on behalf of the Ultimate Beneficiaries

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

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

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

#### 76 The management has prepared cash flow forecast which inter alia includes the key assumptions viz. (i) cash inflows generated by the lending segment, based on reasonable expectations of generating operating cash inflows; (ii) proceeds from recovery of receivables, the sale of assets & investment properties and (iii) Financial support and additional capital infusion from the parent Company / Companies under the group. Based on the cash flow forecast the management believes that the Company has sufficient working capital and financial resources for ongoing operations and business activities to meet their obligations as and when they fall due.



## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: ₹ in Millions)

#### 77 Impact of Covid

The uncertainty on account of COVID-19 outbreak continues to have adverse effect across the world economy including India. However, recent results from the industry is showing signs of revival signaling a return in economic growth. The impact of the COVID-19 pandemic, on Company's results, including gain/loss on fair value changes, investment, remains uncertain and dependent on actual visibility of growth over coming quarters and steps taken by the government and other regulators to mitigate the economic impact and foster speedier growth. Further, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.

#### 78 Details of Ratios

Particulars	31-Mar-22	31-Mar-21	Remarks
Debt-equity Ratio (Refer note 1 and 2)	(3.81)	(1.75)	On account of decrease in debt and increase in equity
Total debt to Total Assets Ratio (Refer note 3)	1.33	2.32	
Debt Service Coverage Ratio (Refer note 4)	0.21	(0.57)	Additional provision in previous year due to
Return on Equity (Refer note 5)	(15)%	(100)%	Covid-19 situation

##### Notes

1. Debt-equity ratio = Debt securities + Borrowings (other than debt securities) / Net Worth
2. Net worth = Equity Share Capital + Instrument entirely in equity nature + Other equity
3. Total debt to Total assets = Total Borrowing (Non Current Borrowing + Current Borrowings) / Total assets
4. Debt Service Coverage Ratio = Profits before interest and tax / (Interest expenses + Principal Repayment in next six months)
5. Return on Equity = Net Profit After Tax / Average Shareholder's Equity
6. Current ratio, Return on capital employed ratio, Inventory turnover ratio, Trade receivables turnover ratio, Trade payables turnover ratio, Net capital turnover ratio, Net profit ratio and Return on investment are not applicable owing to the business model of the company.

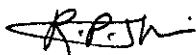
#### 79 Previous year figures have been reclassified to conform to this year's classification.

As per our report of even date attached

For NGS & Co. LLP

Chartered Accountants

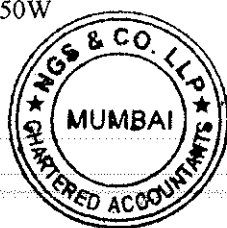
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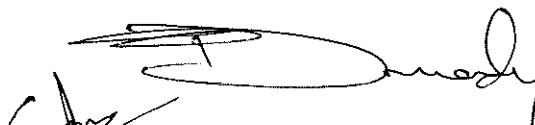
R.P. Soni

Partner

Membership No: 104796



For and on behalf of the Board of Directors



Sanjeev Rastogi

Director

DIN: 00254303

Prashant Mody

Director

DIN: 03101048



Ravindra Dhobale

Chief Financial Officer

Mumbai, 25 May 2022

Mumbai, 25 May 2022

