

Edelweiss Gallagher Insurance Brokers Limited

Financial Statements

for the year ended March 31, 2021

Edelweiss Gallagher Insurance Brokers Limited

Financial statements together with the Auditors' Report

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Edelweiss Gallagher Insurance Brokers Limited

Balance Sheet

(Currency : Indian rupees in thousand)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non current assets			
(a) Property, Plant and Equipment	2.1	5,393.47	8,415.41
(b) Right to Use Assets		26,668.58	24,653.73
(c) Capital work in progress		-	-
(d) Intangible assets under development		-	10,382.85
(e) Other Intangible assets	2.2	28,130.93	4,901.09
(f) Other financial assets	2.3	1,134.03	11,629.25
(g) Income tax assets (net)	2.4	56,357.96	40,364.43
(h) Deferred tax assets (net)	2.5	17,614.79	18,275.80
(i) Other non current assets	2.6	500.00	500.00
Total Non current assets		1,35,799.76	1,19,122.57
Current assets			
(a) Stock in trade	2.7	-	3,46,113.75
(b) Financial assets			
(i) Investments	2.7	5,02,634.44	-
(ii) Trade receivables	2.8	14,31,886.36	11,63,693.61
(iii) Cash and cash equivalents	2.9	2,59,613.90	25,855.30
(iv) Bank balances other than cash and cash equivalents	2.10	1,20,490.78	5,424.41
(v) Loans	2.11	295.69	310.34
(vi) Other financial assets	2.12	2,305.00	500.00
(c) Income tax assets (net)	2.13	-	(0.00)
(d) Other current assets	2.14	2,889.47	3,873.80
Total Current assets		23,20,115.63	15,45,771.21
TOTAL ASSETS		24,55,915.39	16,64,893.78
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	2.15	52,857.15	50,000.00
(b) Other equity	2.16	12,51,748.52	7,76,890.05
Total equity		13,04,605.67	8,26,890.05
Non current liabilities			
(a) Provision	2.17	18,802.68	16,849.21
Total non current liabilities		18,802.68	16,849.21
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of small enterprises and micro enterprises	2.53	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	2.18	9,43,906.83	7,13,572.54
(ii) Other financial liabilities	2.19	99,659.74	30,995.48
(b) Other current liabilities	2.20	33,529.44	28,222.05
(c) Provisions	2.21	5,290.00	5,331.32
(d) Income tax liabilities (net)	2.22	50,121.00	43,033.10
Total current liabilities		11,32,507.01	8,21,154.49
TOTAL EQUITY AND LIABILITIES		24,55,915.37	16,64,893.77

Significant accounting policies and notes forming part of the financial statements

1 & 2

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

For RSMJ & Associates

Chartered Accountants
Firm Registration No. 118483W

Rahul Sukhwai

Rahul Sukhwai

Partner

Membership No: 175160



Mumbai
May 24, 2021

For and on behalf of the Board of Directors

Vinay Sohani

Vinay Sohani

Managing Director & CEO

DIN : 08248678

Sanjay Jhanwar

Sanjay Jhanwar

Chief Financial Officer

Mumbai
May 24, 2021

Sneha Mishra

Sneha Mishra

Executive Director

DIN: 08919447

Neha Sengupta

Neha Sengupta

Company Secretary

Edelweiss Gallagher Insurance Brokers Limited

Statement of Profit and Loss

(Currency : Indian rupees in thousand)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
(a) Interest income	2.23	11,634.42	588.77
(b) Fee and commission income	2.24	6,18,533.35	4,86,045.26
(c) Net gain on fair value changes	2.25	-	7,646.78
Total Revenue from operations		6,30,167.77	4,94,280.80
Other income	2.26	905.35	1,913.42
Total income		6,31,073.12	4,96,194.22
Expenses			
(a) Finance costs	2.27	-1,400.10	4,980.86
Net loss on fair value changes	2.25	12,755.67	-
(b) Impairment on financial instruments	2.28	4,271.62	13,208.70
(c) Employee benefits expense	2.29	2,83,979.66	1,71,328.38
(d) Rent / Amortisation of ROU		2,458.77	11,507.45
(d) Depreciation and amortisation expense	2.1,2.2	5,398.70	7,373.86
(e) Other expenses	2.30	1,50,975.11	1,58,429.29
Total expenses		4,58,439.44	3,66,828.53
Profit before tax		1,72,633.68	1,29,365.69
Tax expenses:			
(1) Current tax		26,114.52	40,008.69
(2) Deferred tax (net)		570.98	(5,119.77)
Profit for the year		1,45,948.19	94,476.78
Other Comprehensive Income			
(a) Items that will not be reclassified to profit or loss			
Remeasurement gain / loss on defined benefit plans (OCI)		593.00	(1,873.00)
Less: Income tax relating to items that will not be reclassified to profit or loss		(149.26)	(521.07)
Other Comprehensive Income		443.74	(1,351.93)
Total Comprehensive Income		1,46,391.94	93,124.85
Earnings per equity share (Face value of Rs. 10 each):			
(1) Basic and diluted (in rupees)	2.33	28.29	29.22

Significant accounting policies and notes forming part of the financial statements

1 & 2

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

For RSMJ & Associates

Chartered Accountants

Firm Registration No. 118483W

Rahul Sukhwai

Rahul Sukhwai

Partner

Membership No: 175160



Mumbai
May 24, 2021

For and on behalf of the Board of Directors

Vinay Sohani

Managing Director & CEO

DIN : 08248678

Sanjay Jhanwar

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Chief Financial Officer

Mumbai
May 24, 2021

Sneha Mishra

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Executive Director

DIN: 08919447

Neha Sengupta

Neha Sengupta

Company Secretary

Edelweiss Gallagher Insurance Brokers Limited**Statement of Changes in Equity**

(Currency : Indian rupees in thousand)

A. Equity share capital

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	50,000.00	25,000.00
Changes in equity share capital	2,857.15	25,000.00
Balance at the end of the year	52,857.15	50,000.00

B. Other equity

	ESOP reserve	Retained earnings	Total
Any other change (to be specified)	-	(3,262.11)	(3,262.11)
Issue of equity instruments	-	3,64,999.83	3,64,999.83
Other comprehensive income	-	(1,351.93)	(1,351.93)
Profit for the year	-	94,476.68	94,476.68
Total Comprehensive Income for the year	7,274.31	93,124.75	1,00,399.06
Balance at March 31, 2020 (Ind AS)	7,274.31	7,69,615.74	7,76,890.05
Issue of equity instruments	-	3,28,466.54	3,28,466.54
Other comprehensive income	-	443.74	443.74
Profit for the year	-	1,45,686.21	1,45,686.21
Total Comprehensive Income for the year	7,274.31	1,46,129.96	1,53,404.26
Balance at March 31, 2021 (Ind AS)	7,274.31	12,44,212.23	12,51,486.54

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

For RSMJ & Associates

Chartered Accountants

Firm Registration No. 118483W

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

Partner

Membership No: 175160

Vinay Sohani

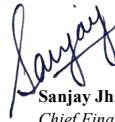
Managing Director & CEO

DIN : 08248678

Sheha Mishra

Executive Director

DIN: 08919447



Sanjay Jhanwar

Chief Financial Officer


Neha Sengupta

Company Secretary

Mumbai
May 24, 2021Mumbai
May 24, 2021

Edelweiss Gallagher Insurance Brokers Limited

Cash Flow Statement

for the year ended 31 March 2021

(Currency : Indian rupees in thousand)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities		
Profit before tax	1,72,633.71	1,29,365.60
<i>Adjustments for</i>		
Depreciation and amortization	5,398.70	7,373.86
Provision for gratuity	2,809.63	4,815.48
Expense on Employee Stock Option Scheme (ESOP)	96.15	86.64
Provision for compensated leave absences	(897.48)	847.39
Provision for ECL on Trade receivables	3,574.53	13,208.82
(Profit)/loss on sale/ write-off of fixed assets	1,675.87	(546.80)
Interest on shortfall in payment of advance income tax	(2,035.82)	1,093.10
Interest Income - On Tax Refund	(604.35)	(1,350.22)
Interest income	(11,634.42)	(588.77)
Interest expense on lease liability	555.18	1,228.41
Operating cash flow before working capital changes	1,71,571.69	1,55,533.52
Add / (Less): Adjustments for working capital changes		
Decrease / (Increase) in trade receivables	(2,71,767.28)	(7,80,638.62)
Decrease / (Increase) in Stock-in-trade	3,46,113.75	(3,32,153.04)
Decrease/ (increase) in loans and advances and other assets	774.92	10,114.92
Lease Adj in Retain Earning	-	(3,262.11)
Increase in liabilities and provisions	3,14,688.76	6,21,803.35
Cash (used in)/ generated from operations	5,61,381.83	(3,28,601.98)
Income taxes paid	32,984.33	16,784.95
Net cash (used in)/ generated from operating activities - A	5,28,397.50	(3,45,386.93)
B Cash flow from investing activities		
Purchase of fixed assets	(28,729.75)	(5,705.78)
Right to Use Assets	(2,014.85)	(24,653.73)
Intangible assets under development	10,382.85	(10,382.85)
Proceeds from sale of fixed assets	1,413.47	1,172.28
Fixed deposit placed with bank	(1,15,066.37)	-
Bond Investments	(5,02,634.44)	-
Interest received	12,238.77	1,938.98
Interest on shortfall in payment of advance income tax	2,035.82	(1,093.10)
Net cash generated/ (used in) generated from investing activities - B	(6,22,374.49)	(38,724.21)
C Cash flow from financing activities		
Issue of fresh equity share capital	2,857.15	8,783.78
Securities Premium	3,28,466.54	3,81,216.05
Principal repayment of leases (Ind AS 116) - Non-Group	(3,032.92)	(5,593.58)
Rent payment 116	(555.18)	(1,228.41)
Net cash generated from financing activities - C	3,27,735.59	3,83,177.84
Net Increase in cash and cash equivalents (A+B+C)	2,33,758.60	(933.30)
Cash and cash equivalents as at the beginning of the year	25,855.30	26,788.60
Cash and cash equivalents as at the end of the year (refer note 2)	2,59,613.90	25,855.30

Note 1 - Net figures have been reported on account of volume of transactions.

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

For RSMJ & Associates

Chartered Accountants

Firm Registration No. 118483W

Rahul Sukhwat

Rahul Sukhwat

Partner

Membership No: 175160



Mumbai
May 24, 2021

For and on behalf of the Board of Directors

Vinay Sohani

Vinay Sohani

Managing Director & CEO

DIN : 08248678

Sanjay Jhanwar

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Chief Financial Officer

Mumbai
May 24, 2021

Sneha Mishra

Sneha Mishra

Executive Director

DIN: 08919447

Neha Sengupta

Neha Sengupta

Company Secretary

Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements

For the year ended March 31, 2021

1. Significant accounting policies

1.1 Company background

Edelweiss Gallagher Insurance Brokers Limited (“the Company”) was incorporated on 8 February 2000. The Company is a 70% subsidiary of Edelweiss Financial Services Limited with 30% investment from Arthur J Gallagher USA. The Company is registered as a Composite (General) Insurance Broker with Insurance Regulatory And Development Authority of India which provides Insurance Broking services to its clients. The Company as an insurance broker also provides services such as Risk Management, Claims Consultancy, Lenders Insurance Advisory etc.

1.2 Basis of preparation of financial statements

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

For all periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP or previous GAAP). The financial statements for the year ended 31st March 2019 are the first financial statements of the Company prepared under Ind AS. Refer to note 1.19 for information on how the Company adopted Ind AS for opening balance sheet.

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

1.3 Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division II of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in note 32.

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

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

1.4 Revenue recognition

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*) for the year ended March 31, 2021

1.4 Revenue recognition (*Continued*)

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

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

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

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

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

- a) Brokerage income is recognised on accrual basis at the inception of the insurance policy i.e. once the policy is issued by the insurance company based on the terms agreed with the insurance companies.
- b) Lenders insurance advisory fees is recognized on accrual basis when the corresponding service is provided based on the agreed terms.
- c) Interest income is recognised on accrual basis.

1.5 Financial Instruments

Date of recognition

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

Initial measurement of financial instruments

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

Classification of financial instruments

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

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*)
for the year ended March 31, 2021

1.5 Financial Instruments (*Continued*)

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.

Amortized cost and Effective interest rate (EIR)

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

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

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

Financial assets held for trading

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

Financial assets at fair value through profit or loss

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*)
for the year ended March 31, 2021

1.5 Financial Instruments (*Continued*)

Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure

Investment in equity instruments

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

Investment in Mutual Funds and Bonds

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

Financial liabilities

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

Debt securities and other borrowed funds

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

As per Ind AS 23, the amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

Financial liabilities and equity instruments

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

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

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

Reclassification of financial assets and liabilities

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*) for the year ended March 31, 2021

1.5 Financial Instruments (*Continued*)

Derecognition of financial assets and financial liabilities

A transfer only qualifies for derecognition if either:

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

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

Derecognition of financial liabilities

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

Impairment of financial assets

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

Business model assessment

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

Fair value of financial instruments

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*)
for the year ended March 31, 2021

1.5 Financial Instruments (*Continued*)

Determination of fair value

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

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

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

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

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

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*) for the year ended March 31, 2021

1.6 Property, Plant and Equipment and Capital work in progress

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

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

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

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

of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

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

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Leasehold improvements are amortized on a straight-line basis over the estimated useful lives of the assets or the period of lease whichever is shorter.



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements *(continued)*
for the year ended March 31, 2021

1.6 Property, Plant and Equipment and Capital work in progress *(Continued)*

Intangible fixed assets

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

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

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

Impairment of non-financial assets

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

1.7 Stock-in-trade

a) In case of units of mutual funds held as stock-in-trade, net asset value is considered as fair value.

1.8 Cash and cash equivalents

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

1.9 Foreign currency transactions

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

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

1.10 Retirement and other employee benefits

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements *(continued)*
for the year ended March 31, 2021

1.10 Retirement and other employee benefits *(Continued)*

Provident fund and national pension scheme

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

Gratuity

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

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods. Such benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognises each period of services as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

Compensated Leave Absences

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

1.11 Share-based payment arrangements

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

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

1.12 Income tax expenses

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*) for the year ended March 31, 2021

1.12 Income tax expenses (*Continued*)

Current tax

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

Deferred tax

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

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

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

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

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

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

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

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

1.13 GST expenses

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*) for the year ended March 31, 2021

1.14 Operating leases

Lease payments for assets taken on operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognized based on contractual terms. Contingent rental payable is reorganised an expense in the period in which it is incurred.

1.15 Earnings per share

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

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

1.16 Provisions and other contingent liabilities

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

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

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

1.17 Significant accounting judgements, estimates and assumptions

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

Judgements

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*)
for the year ended March 31, 2021

1.17 Significant accounting judgements, estimates and assumptions (*Continued*)

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

1.18 Standards issued but not yet effective

a) Ind AS 116 Leases:

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The application of this standard is not likely to have a material impact on the financial statements.

b) Prepayment Features with Negative Compensation (Amendments to Ind AS 109)

The amendments to Ind AS 109 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI. These amendments are to be applied for annual periods beginning on or after 1 April, 2019.

The application of these amendments is not likely to have a material impact on the financial statements.

1.19 First-time adoption – mandatory exceptions, optional exemptions

Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company is given below as per Ind AS 101.

Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*)
for the year ended March 31, 2021

1.19 First-time adoption – mandatory exceptions, optional exemptions (*Continued*)

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

Accounting estimates

The Company's estimates in accordance with Ind AS at the transition date are consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies). The same applies to the comparative period presented.

Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1 April 2017.

Deemed cost for property, plant and equipment, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

1.20 Annual Improvements to Ind AS (2018)

a) Ind AS 23 Borrowing costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. These amendments are to be applied for annual periods beginning on or after 1 April 2019.

b) Plan Amendment, Curtailment or Settlement (Amendments to Ind AS 19)

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). The change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

An entity is also now required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under Ind AS 19 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

These amendments are to be applied to plan amendments, curtailments or settlements occurring on or after 1 April 2019.



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*continued*)
for the year ended March 31, 2021

1.20 Annual Improvements to Ind AS (2018) (*Continued*)

The application of these amendments is not likely to have a material impact on the financial statements.

c) Uncertainty over Income Tax Treatments (Appendix C of Ind AS 12)

This Appendix sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Appendix requires an entity to:

- determine whether uncertain tax positions are assessed separately or as a Company; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position.

The Appendix is effective for annual periods beginning on or after 1 April 2019. Entities can apply the Appendix with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively.



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.1 Property, Plant and Equipment

Gross Block					Accumulated Depreciation and Impairment				Net Block
Description of Assets	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2021
Property, Plant and Equipment									
Leasehold improvements	4,404.83	-	4,404.83	0.00	1,627.21	678.31	2,305.52	0.00	(0.00)
Furniture and Fixtures	1,437.76	58.64	854.11	642.29	447.39	232.93	485.99	194.33	447.95
Vehicles	2,211.01	-	(1,804.07)	4,015.08	691.18	456.78	(1,995.53)	3,143.02	872.06
Office equipment	1,366.89	110.58	520.72	956.74	883.31	212.12	428.24	667.79	288.95
Computers	10,136.54	3,750.27	2,060.43	11,826.38	7,526.34	2,238.14	1,722.48	8,042.24	3,784.14
Total	19,557.03	3,919.49	6,036.03	17,440.49	11,175.44	3,818.29	2,946.70	12,047.38	5,393.11

2.2 Other Intangible Assets

Gross Block					Accumulated Amortisation and Impairment				Net Block
Description of Assets	As at April 1, 2020	Additions during the year	Disposals during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Disposals during the year	As at March 31, 2021	As at March 31, 2021
Other Intangible Assets									
Software	11,429.49	24,810.25	-	36,239.74	6,528.40	1,580.42	-	8,109.04	28,130.69
Total	11,429.49	24,810.25	-	36,239.74	6,528.40	1,580.42	-	8,109.04	28,130.69



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.1 Property, Plant and Equipment

Gross Block					Accumulated Depreciation and Impairment				Net Block
Description of Assets	As at April 1, 2019	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 1, 2019	Charge for the year	Disposals during the year	As at March 31, 2020	As at March 31, 2020
Property, Plant and Equipment									
Leasehold improvements	6,085.93	-	1,681.10	4,404.83	1,999.54	1,308.77	1,681.10	1,627.21	2,777.62
Furniture and Fixtures	1,140.45	498.87	201.56	1,437.76	341.62	255.83	150.05	447.39	990.37
Vehicles	5,870.43	-	3,659.42	2,211.01	3,026.92	865.41	3,201.13	690.71	1,520.30
Office equipment	1,592.38	330.27	555.77	1,366.89	817.45	587.88	522.02	883.91	482.98
Computers	9,848.28	1,382.32	1,094.05	10,136.54	6,319.52	2,218.93	1,012.11	7,526.57	2,609.97
Total	24,537.47	2,211.45	7,191.89	19,557.03	12,505.05	5,236.80	6,566.41	11,175.80	8,381.23

2.2 Other Intangible Assets

Gross Block					Accumulated Amortisation and Impairment				Net Block
Description of Assets	As at April 1, 2019	Additions during the year	Disposals during the year	As at March 31, 2020	As at April 1, 2019	Charge for the year	Disposals during the year	As at March 31, 2020	As at March 31, 2020
Other Intangible Assets									
Software	7,968.64	3,460.85	-	11,429.49	4,390.99	2,137.40	-	6,528.40	4,901.09
Total	7,968.64	3,460.85	-	11,429.49	4,390.99	2,137.40	-	6,528.40	4,901.09



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

	As at March 31, 2021	As at March 31, 2020
2.3 Other financial assets - Non current		
Security Deposits	1,134.03	11,629.25
	1,134.03	11,629.25
2.4 Income tax assets (net) - Non current		
Advance income taxes	56,357.96	40,364.43
	56,357.96	40,364.43
2.5 Deferred tax assets (net)		
Deferred tax assets		
<u>Loans</u>		
Provision for non-performing, restructured and doubtful advances - ECL provision	8,644.76	9,588.46
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation (including intangibles)	1,590.30	2,361.10
<u>Investments and other financial instruments</u>		
<u>Employee benefit obligations</u>		
Provision for leave accumulation & gratuity	6,064.13	6,170.62
Disallowances under section 43B of the Income Tax Act, 1961	1,308.74	133.43
<u>Unused tax losses</u>		
Others (Share issue expenses)	6.85	22.18
	17,614.79	18,275.80
2.6 Other non current assets		
Other deposits	500.00	500.00
Prepaid expenses	-	-
	500.00	500.00



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.7 Stock-in-trade

	As at March 31,2021		As at March 31,2020	
	Quantity	Amount	Quantity	Amount
Mutual funds (unquoted)				
Investments in mutual funds				
Carried at fair valued through profit & loss account				
Axis Liquid Fund - Direct Growth	-	-	80,50,363.28	3,46,113.75
		<u>-</u>		<u>3,46,113.75</u>

	As at March 31,2021		As at March 31,2020	
	Quantity	Amount	Quantity	Amount
2.7 Investments				
Debt Instruments - Bonds		4,90,960.00		-
Accrued Interest - On Debt Inst - Bonds		11,674.44		-
		<u>5,02,634.44</u>		<u>-</u>



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

As at
March 31, 2021

As at
March 31, 2020

2.8 Trade receivables

Trade Receivables		
Unsecured, considered good	14,31,886.36	11,63,693.61
Unsecured, considered doubtful	33,521.19	29,946.66
Total	14,65,407.54	11,93,640.27
Less: Allowance for expected credit losses	33,521.19	29,946.66
Total	14,31,886.36	11,63,693.61



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

6 Trade receivables (Continued)

Particulars	March 31, 2021	March 31, 2020
Receivables considered good - Unsecured	14,26,451.43	11,63,118.13
Receivables considered good - Unsecured - (Group)	5,434.93	575.47
Receivables - Credit impaired	33,521.19	29,946.66
	14,65,407.54	11,93,640.27
Less : Allowance for expected credit losses*	33,521.19	29,946.66
	14,31,886.36	11,63,693.61

Reconciliation of impairment allowance on trade receivables:

Particulars	INR
Impairment allowance measured as per simplified approach	
Impairment allowance as on March 31, 2019	16,737.96
Add/ (less): asset originated or acquired (net)	13,208.70
Impairment allowance as on March 31, 2020	29,946.66
Add/ (less): asset originated or acquired (net)	3,574.53
Impairment allowance as on March 31, 2021	33,521.19

Provision matrix for Trade receivables

Trade receivables days past due	Current	1-90days	91-180 days	181-270 days	270- 360 days	more than 361 days	Total
ECL rate							
March 31, 2021							
Estimated total gross carrying amount at default	-	5,74,693.62	2,61,870.24	1,91,472.84	1,57,337.00	2,74,598.91	14,59,972.61
Estimated total gross carrying amount at default (Group)	-	5,434.93	-	-	-	-	5,434.93
ECL - Simplified approach	-	(5,937.68)	(5,674.97)	(13,829.60)	(3,967.95)	(4,110.98)	(33,521.19)
Net carrying amount	-	5,74,190.87	2,56,195.27	1,77,643.23	1,53,369.05	2,70,487.93	14,31,886.36
March 31, 2020							
Estimated total gross carrying amount at default	-	8,52,646.22	1,09,466.86	83,086.70	26,589.46	1,21,275.56	11,93,064.79
Estimated total gross carrying amount at default (Group)	-	575.47	-	-	-	-	575.47
ECL - Simplified approach	-	(6,543.68)	(7,337.55)	(2,168.34)	(3,640.97)	(10,256.12)	(29,946.66)
Net carrying amount	-	8,46,678.01	1,02,129.31	80,918.36	22,948.49	1,11,019.44	11,63,693.61



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

	As at March 31, 2021	As at March 31, 2020
2.9 Cash and cash equivalents		
Cash on hand	-	38.07
Balance with banks		
-in current accounts	2,59,613.90	25,817.23
	2,59,613.90	25,855.30
2.10 Bank balances other than cash and cash equivalents		
Long term bank deposits with banks (Lien marked to IRDA) (refer note 2.41)	5,000.00	5,100.00
Fixed deposit with bank (refer note 2.35)	1,14,100.00	-
Accrued interest on fixed deposits	1,390.78	324.41
	1,20,490.78	5,424.41



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements *(Continued)*

(Currency : Indian rupees in thousand)

2.11 Loans

(Considered good, unless stated otherwise)

Unsecured

Loans and advances to related parties

Loans & advances to employees

Accrued interest on loans given

	As at March 31, 2021	As at March 31, 2020
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Loans and advances to related parties	-	-
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Loans & advances to employees	295.69	310.34
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Accrued interest on loans given	-	-
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	<u>295.69</u>	<u>310.34</u>
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Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

7 Loans (Continued)

Particulars	As at March 31, 2021							
	IGAAP Amount	IND AS numbers						Total
		Amortised Cost	At Fair Value				Others	
			Through Other Comprehensive Income	Through Profit And Loss Account	Designated at fair value through profit and loss	Subtotal		
		1	2	3	4	(5=2+3+4)	6	
Loans								
A (i) Loans repayable on Demand	-	-	-	-	-	-	-	-
(ii) Others (Loans & advances to employees)	295.69	295.69	-	-	-	-	-	295.69
Total (A) Gross	295.69	295.69	-	-	-	-	-	295.69
Less: Impairment loss allowance		-	-	-	-	-	-	-
Total (A) Net	295.69	295.69	-	-	-	-	-	295.69
B.(ii) Unsecured	295.69	295.69	-	-	-	-	-	295.69
Total (B) Gross	295.69	295.69	-	-	-	-	-	295.69
Less: Impairment loss allowance						-	-	-
Total (B) Net	295.69	295.69	-	-	-	-	-	295.69
C.I. Loans in India								
(i)Others (Group Loan)	-	-	-	-	-	-	-	-
(ii) Others (Loans & advances to employees)	295.69	295.69	-	-	-	-	-	295.69
Total (C.I) Gross	295.69	295.69	-	-	-	-	-	295.69
Less: Impairment loss allowance								
Total (C.I) Net	295.69	295.69	-	-	-	-	-	295.69
C.II. Loans outside India		-	-	-	-	-	-	-
Less: Impairment loss allowance		-	-	-	-	-	-	-
Total (C.II) Net	-	-	-	-	-	-	-	-
Total: (C I and C II)	295.69	295.69	-	-	-	-	-	295.69

Particulars	As at March 31, 2020							
	IGAAP Amount	IND AS numbers						Total
		Amortised Cost	At Fair Value				Others	
			Through Other Comprehensive Income	Through Profit And Loss Account	Designated at fair value through profit and loss	Subtotal		
		1	2	3	4	(5=2+3+4)	6	
Loans								
A (i) Loans repayable on Demand	-	-	-	-	-	-	-	-
(ii) Others (Loans & advances to employees)	310.34	310.34	-	-	-	-	-	310.34
Total (A) Gross	310.34	310.34	-	-	-	-	-	310.34
Less: Impairment loss allowance		-	-	-	-	-	-	-
Total (A) Net	310.34	310.34	-	-	-	-	-	310.34
B.(ii) Unsecured	310.34	310.34	-	-	-	-	-	310.34
Total (B) Gross	310.34	310.34	-	-	-	-	-	310.34
Less: Impairment loss allowance						-	-	-
Total (B) Net	310.34	310.34	-	-	-	-	-	310.34
C.I. Loans in India								
(i)Others (Group Loan)	-	-	-	-	-	-	-	-
(ii) Others (Loans & advances to employees)	310.34	310.34	-	-	-	-	-	310.34
Total (C.I) Gross	310.34	310.34	-	-	-	-	-	310.34
Less: Impairment loss allowance								
Total (C.I) Net	310.34	310.34	-	-	-	-	-	310.34
C.II. Loans outside India		-	-	-	-	-	-	-
Less: Impairment loss allowance		-	-	-	-	-	-	-
Total (C.II) Net	-	-	-	-	-	-	-	-
Total: (C I and C II)	310.34	310.34	-	-	-	-	-	310.34



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.11 Loan (Continued)

Credit quality of assets

I GROSS CARRYING AMOUNT OF WHOLESALE LOAN ALLOCATED TO STAGE 1, STAGE 2, STAGE 3 AND POCI

	March 31, 2021					March 31, 2020				
Particulars	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total
Wholesale loan measured at amortised cost										
Performing										
Substandard grade	-	-	-	-	-	-	-	-	-	-
Non-performing										
Individually impaired	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

GROSS CARRYING AMOUNT RECONCILIATION

GROSS CARRYING AMOUNT RECONCILIATION - WHOLESALE LOANS

	March 31, 2021					March 31, 2020				
Particulars	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total	12 Month ECL (Stage 1)	Lifetime ECL Not Credit Impaired (Stage 2)	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total
Gross carrying amount opening balance	(0.00)	-	-	-	(0.00)	9,806.11	-	-	-	9,806.11
New assets originated or purchased	-	-	-	-	-	11,698.86	-	-	-	11,698.86
Assets derecognised or repaid (excluding write offs)	-	-	-	-	-	(21,679.35)	-	-	-	(21,679.35)
Interest income during the period	-	-	-	-	-	174.39	-	-	-	174.39
Gross carrying amount closing balance	(0.00)	-	-	-	(0.00)	(0.00)	-	-	-	(0.00)



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.11 Loan (Continued)

Credit quality of assets - Retail loan (collective)

GROSS CARRYING AMOUNT OF RETAIL LOANS ALLOCATED TO STAGE 1, STAGE 2, STAGE 3 AND POCI

Particulars	March 31, 2021							March 31, 2020						
	12 Month ECL (Stage 1) Individually	12 Month ECL (Stage 1) collective	Lifetime ECL Not Credit Impaired (Stage 2) individually	Lifetime ECL Not Credit Impaired (Stage 2) collective	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total	12 Month ECL (Stage 1) Individually	12 Month ECL (Stage 1) collective	Lifetime ECL Not Credit Impaired (Stage 2) individually	Lifetime ECL Not Credit Impaired (Stage 2) collective	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total
Loan measured at amortised cost														
Performing														
Standard grade	295.69	-	-	-	-	-	295.69	310.34	-	-	-	-	-	310.34
Non-performing														
Individually impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	295.69	-	-	-	-	-	295.69	310.34	-	-	-	-	-	310.34

GROSS CARRYING AMOUNT RECONCILIATION - RETAIL LOANS

Particulars	March 31, 2021							March 31, 2020						
	12 Month ECL (Stage 1) Individually	12 Month ECL (Stage 1) collective	Lifetime ECL Not Credit Impaired (Stage 2) individually	Lifetime ECL Not Credit Impaired (Stage 2) collective	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total	12 Month ECL (Stage 1) Individually	12 Month ECL (Stage 1) collective	Lifetime ECL Not Credit Impaired (Stage 2) individually	Lifetime ECL Not Credit Impaired (Stage 2) collective	Lifetime ECL Credit Impaired (Stage 3)	Purchased or originated as credit impaired (POCI)	Total
Gross carrying amount opening balance	310.34	-	-	-	-	-	310.34	515.14	-	-	-	-	-	515.14
New assets originated or purchased	75.00	-	-	-	-	-	75.00	-	-	-	-	-	-	-
Assets derecognised or repaid (excluding write offs)	(89.65)	-	-	-	-	-	(89.65)	(223.07)	-	-	-	-	-	(223.07)
Interest income during the period	-	-	-	-	-	-	-	18.28	-	-	-	-	-	18.28
Gross carrying amount closing balance	295.69	-	-	-	-	-	295.69	310.34	-	-	-	-	-	310.34



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

	As at March 31, 2021	As at March 31, 2020
2.12 Other financial assets - Current		
Deposits- others	2,305.00	500.00
	<u>2,305.00</u>	<u>500.00</u>
2.13 Income tax assets (net) - current		
Advance income taxes	-	(0.00)
	<u>-</u>	<u>(0.00)</u>
2.14 Other current assets		
(Unsecured Considered good, unless stated otherwise)		
Input tax credit	(619.97)	-
Other deposits	-	-
Prepaid expenses	3,060.38	362.68
Vendor Advances	108.90	2,164.13
Advances to employees	340.17	1,347.00
	<u>2,889.47</u>	<u>3,873.80</u>



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

	As at March 31, 2021	As at March 31, 2020
2.15 Equity share capital		
Authorised :		
60,00,000/- (Previous year: 50,00,000/-) equity shares of Rs. 10 (Previous year: Rs. 10) each, fully paid-up	60,000.00	50,000.00
	-	-
	<u>60,000.00</u>	<u>50,000.00</u>
Issued, Subscribed and Paid up:		
5,285,715 (Previous year: 50,00,000/-) equity shares of Rs. 10 (Previous year: Rs. 10) each, fully paid-up	52,857.15	50,000.00
	<u>52,857.15</u>	<u>50,000.00</u>

(The entire paid up capital is held by Edelweiss Financial Services Limited, the holding company and its nominee)

a. Movement in share capital :

	March 31, 2021		March 31, 2020	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	5,000.00	50,000.00	2,500.00	25,000.00
Shares issued during the year	285.72	2,857.15	2,500.00	25,000.00
Outstanding at the end of the year	<u>5,285.72</u>	<u>52,857.15</u>	<u>5,000.00</u>	<u>50,000.00</u>

b. Terms/rights attached to equity shares :

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

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

	March 31, 2021		March 31, 2020	
	No of shares	%	No of shares	%
Holding company				
Edelweiss Financial Services Limited, the holding company*	3,700.00	70.00%	3,700.00	74.00%
Arthur J. Gallagher & Co.	<u>1,585.72</u>	<u>30.00%</u>	<u>1,300.00</u>	<u>26.00%</u>
	<u>5,285.72</u>	<u>100.00%</u>	<u>5,000.00</u>	<u>100.00%</u>

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

	March 31, 2021		March 31, 2020	
	No of shares	%	No of shares	%
Equity Shares of Rs 10 each fully paid				
Edelweiss Financial Services Limited, the holding company*	3,700.00	74.00%	3,700.00	74.00%
Arthur J. Gallagher & Co.	<u>1,585.72</u>	<u>30.00%</u>	<u>1,300.00</u>	<u>26.00%</u>
	<u>5,285.72</u>	<u>104.00%</u>	<u>5,000.00</u>	<u>100.00%</u>

(* Including shares held by its nominees)

2.16 Other equity

Securities Premium Account	-	-
Opening Balance	3,64,999.83	
Add : Additions during on issue of Equity Shares	<u>3,28,466.54</u>	<u>3,64,999.83</u>
	<u>6,93,466.37</u>	<u>3,64,999.83</u>
Deemed capital contribution - ESOP		
Opening balance	7,274.31	7,274.31
Add : Additions during the year	-	-
	<u>7,274.31</u>	<u>7,274.31</u>
Retained earning		
Opening Balance	4,04,615.91	3,11,491.06
Add: Profit for the year	1,45,948.19	94,476.78
Add: Other comprehensive income for the year	443.74	(1,351.93)
Amount available for appropriation	<u>5,51,007.84</u>	<u>4,04,615.91</u>
	<u>12,51,748.52</u>	<u>7,76,890.05</u>



Edelweiss Gallagher Insurance Brokers Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in thousand)

	As at March 31, 2021	As at March 31, 2020
2.17 Provisions - non-current		
Provision for employee benefits		
Gratuity	16,905.84	16,279.21
Compensated leave absences	1,896.84	570.00
Provision for dividend distribution tax		-
	18,802.68	16,849.21
2.18 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer note no. 2.53)	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises	9,43,906.83	7,13,572.54
	9,43,906.83	7,13,572.54
2.19 Other financial liabilities - current		
Accrued salaries and benefits	67,791.55	926.10
Lease Liability	31,868.19	30,050.86
	99,659.74	30,995.48
2.20 Other current liabilities		
Others	2,279.23	4,793.39
Withholding taxes, Goods & service tax and other taxes payable	31,250.22	23,428.67
	33,529.44	28,222.05
2.21 Provisions - current		
Provision for employee benefits		
Gratuity	4,654.00	2,471.00
Compensated leave absences	636.00	2,860.32
	5,290.00	5,331.32
2.22 Income tax liabilities (net) - current		
Provision for taxation (Net of advance tax & tds)	50,121.00	43,033.10
	50,121.00	43,033.10



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations		
2.23 Interest Income		
Interest income on loan	-	174.39
Interest income on debt instrument (for non-finance company) - fair va	6,957.38	-
Interest income on fixed deposits	4,673.91	396.10
Interest Income - Others	3.13	18.28
	11,634.42	588.77
2.24 Fee income		
Insurance brokerage income	6,18,533.35	4,86,045.26
Lenders insurance advisory fees	-	-
	6,18,533.35	4,86,045.26
2.25 Net gain on fair value changes		
Net gain / (loss) on financial instruments at fair value through profit & loss account		
Profit / (loss) on trading of securities (net)	7,526.93	1,490.96
Fair value gain - P&L - debt	(20,282.60)	-
Fair value gain on Mutual fund investment	-	6,155.82
	(12,755.67)	7,646.78
2.26 Other income		
Profit on sale of fixed assets (net)	-	546.80
Interest Income - On Tax Refund	604.35	1,350.22
Foreign exchange gain	43.20	-
Miscellaneous income	257.80	16.41
	905.35	1,913.42



Edelweiss Gallagher Insurance Brokers Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in thousand)

	For the year ended March 31, 2021	For the year ended March 31, 2020
2.27 Finance costs		
Financial and bank charges	72.79	182.79
Interest on Margin	555.18	3,687.36
Interest on buyer's credit		-
Interest - others	7.75	17.61
Interest on shortfall in payment of Advance Income Tax	(2,035.82)	1,093.10
	(1,400.10)	4,980.86
2.28 Impairment on financial instruments		
Bad- debts and advances written off	697.10	-
Provision for doubtful debts	3,574.53	13,208.70
	4,271.62	13,208.70
2.29 Employee benefit expenses		
Salaries and wages	2,13,043.01	1,60,356.16
Salaries and wages - Bonus	58,000.00	-
Contribution to provident and other funds (refer note 2.34)	8,302.85	4,872.20
Expense on Employee Stock Option Scheme (ESOP) (refer note 2.43)	96.15	86.64
Staff welfare expenses	4,537.65	6,013.38
	2,83,979.66	1,71,328.38



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

	For the year ended March 31, 2021	For the year ended March 31, 2020
2.30 Other Expenses		
Advertisement and business promotion	25,099.67	17,871.86
Auditors' remuneration (refer note below)	904.65	580.70
Commission and brokerage	3,610.19	653.03
Communication	4,353.61	4,028.44
Insurance	693.03	694.11
Legal and professional fees	38,533.55	29,437.46
Printing and stationery	7,110.60	3,757.25
Rates and taxes	916.88	569.29
Rent	30,330.55	13,161.98
Repairs and maintenance - Building	220.00	120.50
Repairs and maintenance	333.13	2,051.54
Electricity charges	201.34	2,160.75
Foreign exchange loss (net)	-	87.80
Computer expenses	4,156.94	2,275.53
Computer software	790.40	862.41
Corporate social responsibility -Donation	2,300.00	500.00
Donation - Others	1,041	-
Dematerialisation charges	10.00	14.99
Loss on sale of of fixed assets	1,675.87	-
Membership and subscription	52.38	223.63
Office expenses	9,199.88	30,862.22
Postage and courier	136.33	183.24
ROC Expenses	33.39	287.65
Seminar & Conference	112.36	3,714.50
Goods & Service tax expenses	1,355.25	1,704.02
Travelling and conveyance	10,112.74	33,747.89
Miscellaneous expenses	0.54	47.16
Housekeeping and security charges	6,181.81	8,729.03
Usage of assets	1,509.02	102.30
	-	-
	1,50,975.11	1,58,429.29
Auditors' remuneration:		
As Auditors	795.50	-
For other services	109.15	-
	904.65	580.70



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.31 Income Tax

The components of income tax expense for the year ended March 31, 2021 and 2020 are:

Particulars	2020-21	2019-20
Current tax	50,121.00	41,940.00
Adjustment in respect of current income tax of prior years	(24,006.48)	(1,931.31)
Deferred tax relating to origination and reversal of temporary differences	570.98	(5,119.77)
Total tax charge	26,685.50	34,888.92
Current tax	26,114.52	40,008.69
Deferred tax	570.98	(5,119.77)

2.31a Reconciliation of total tax charge

Particulars	2020-21	2019-20
Accounting profit before tax as per financial statements	1,72,249.15	1,29,365.60
Tax rate (in percentage)	0.25	0.28
Income tax expense calculated based on this tax rate	43,355.11	35,989.51
Adjustment in respect of current income tax of prior years	(24,006.48)	(1,931.31)
Effect of income not subject to tax:		
Others (Bad debts disallowance)	-	-
Effect of non-deductible expenses:		
Penalties	-	1.95
Others (Includes Disallowed items i.e. Donation, Int on short payment of adv tax and P&L charge for purchase of mobiles)	7,336.89	448.70
Impact of tax rate changes	-	-
Others* (Lease No. 1345 Closure impact)	-	380.07
Tax charge for the year recorded in P&L	26,685.52	34,888.92

2.31b The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2020-21)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Deferred taxes in relation to:								
Property, Plant and Equipment	2,361.10	(770.80)	-	-	-	-	(770.80)	1,590.30
Employee benefits obligations	133.43	1,175.31	-	-	-	-	1,175.31	1,308.74
Gratuity and Compensated absense	6,170.62	(106.50)	-	-	-	-	(106.50)	6,064.13
Provision for Doubtful debts	9,588.46	(943.70)	-	-	-	-	(943.70)	8,644.76
Others	22.18	(15.33)	-	-	-	-	(15.33)	6.85
Total	18,275.80	(661.01)	-	-	-	-	(661.01)	17,614.79

	Opening deferred tax asset / (liability) as per Ind AS	Movement for the period (2019-20)					Total movement	Closing deferred tax asset / (liability) as per Ind AS
		Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Others		
Deferred taxes in relation to:								
Property, Plant and Equipment	2,118.47	242.63	-	-	-	-	242.63	2,361.10
Employee benefits obligations	-	133.43	-	-	-	-	133.43	133.43
Gratuity and Compensated absense	4,595.33	1,575.30	-	-	-	-	1,575.30	6,170.62
Provision for Doubtful debts	4,656.50	4,931.96	-	-	-	-	4,931.96	9,588.46
Others	7.36	14.82	-	-	-	-	14.82	22.18
Total	11,377.66	6,898.14	-	-	-	-	6,898.14	18,275.80

Break-up of recognition of current tax	March 31, 2021	March 31, 2020
In P&L	26,144.52	40,008.69



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.32 Segment reporting

The Company has operated only in one business segment during the year viz. Agency business comprising of Insurance advisory and insurance products distribution services. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements and hence, no disclosure is made under Indian Accounting Standard 108 – Operating Segment Reporting. Since business operations of the Company are concentrated in India, the Company is considered to operate only in domestic segment and therefore there is no reportable geographic segment.

2.33 Earnings per share

In accordance with Indian Accounting Standard (Ind AS) 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:

S. No.	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a)	Net amount attributable to the Equity shareholders (as per statement of profit and loss)	145686.21	94476.68
b)	Calculation of weighted average number of Equity Shares of Rs 10 each:		
	Number of equity shares at the beginning of the year	5,000.00	2500.00
	Number of equity shares issued during the year	285.72	2500.00
	Total number of equity shares outstanding at the end of the year	5285.72	5000.00
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	5150.29	5000.00
c)	Basic and diluted earnings per share (a/b)	28.29	29.22

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

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

2.34 Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 - Employee Benefits

A) Defined contribution plan (Provident fund):

Amount of Rs. 8302.85 (Previous year: Rs. 4872.20) is recognised as expense and included in “Employee benefit expenses” – Note 2.29 in the statement of profit and loss.

B) Defined benefit plan (Gratuity):

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



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

Statement of profit and loss

Net employees benefit expenses:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current service cost	3,117.00	2,845.00
Interest on defined benefit obligation	1,073.00	947.00
Expected return on plan assets	-	-
Past Service Cost	-	-
Actuarial (gain) or losses	(593.00)	1,873.00
Total included in Employee benefit expenses'	3,597.00	4,499.00

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

Particulars	As at March 31, 2021	As at March 31, 2020
Liability at the beginning of the year	18,751.00	13,935.00
Interest cost	1,073.00	947.00
Current service cost	3,117.00	2,845.00
Past service cost (not vested benefit)	-	-
Past service cost (vested benefit)	-	-
Benefits Paid	(226.00)	(436.00)
Transfer in/(out)	(563.00)	(413.00)
Actuarial (gain)/loss on obligations	(593.00)	1,873.00
Liability at the end of the year	21,559.00	18,751.00

Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 - Employee Benefits

Changes in Fair Value of Plan Assets are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Fair Value of plan assets at the beginning of the year	-	-
Acquisition Adjustment	-	-
Expected return on plan asset	-	-
Contribution	226.00	436.00
Benefits Paid	(226.00)	(436.00)
Actuarial (gain) or losses	-	-
Liability at the end of the year	-	-



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

Amount Recognised in the Balance Sheet:

Particulars	As at March 31, 2021	As at March 31, 2020
Liability at the end of the year	21,559.00	18,751.00
Fair value of plan assets at the end of the year	-	-
Amount in Balance sheet	21,559.00	18,751.00

Details of provision for gratuity:

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current liability at the end of the year	16,905.00	18,751.00
Current liability at the end of the year	4,654.00	2,471.00

Experience Adjustment

Particulars	As at March 31, 2021	As at March 31, 2020
On plan liabilities: (Gain)/ Loss	(574.00)	707.00
On plan assets: Gain / (Loss)	-	-
Estimated Contribution for the next year	-	-

Principle actuarial assumptions at the balance sheet date:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount rate	5%	5.90%
Salary escalation rate	7%	7%
Employees attrition rate	25%	13 %- 25%

2.35 Capital commitments and contingent liabilities

Capital commitments

- Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Rs.NIL (Previous year: Rs. 3532.56).

Contingent liabilities

- Taxation matters in respect of which appeal is pending Rs. 3066.92/- (Previous year: Rs. 43.46/-).

2.36 Operating leases

The Company has taken various premises on operating lease agreements. Gross rental expenses for the year ended 31 March 2021 aggregated to Rs. 3071.35/- (Previous year: Rs. 8633.10)



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.37 Disclosure as required by Indian Accounting Standard (Ind AS) 24 – “Related Party Disclosure” as prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

S. No	Particulars
A.	Names of related parties by whom control is exercised Edelweiss Financial Services Limited, Holding company
B.	Fellow Subsidiaries with whom the Company has transactions Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Limited)* Edelweiss Broking Limited Edelweiss Housing Finance Limited Edelweiss Securities Limited ECL Finance Limited Edelweiss Global Wealth Management Limited ECap Equities Limited EdelGive Foundation Edelweiss General Insurance Company Limited Edelweiss Asset Reconstruction Company Limited Edelweiss Retail Finance Limited Edelweiss Custodial Services Limited Edelweiss Comtrade Limited
C.	Key Management Personnel Mr. Vinay Sohani Mrs. Sneha Mishra Mr. Sanjay Jhanwar

*Edelweiss Business Services Limited, Edelweiss Agri Value Chain Limited have been merged in to Edelweiss Rural & Corporate Services Limited (Formerly Edelweiss Commodities Services Ltd.) Hence all related party transaction transacted during the year and the outstanding balance thereof, as at the end of the year relating to the merged entities are considered to be transacted with Edelweiss Rural & Corporate Services Limited w.e.f. Feb 18, 2019 and disclosed accordingly.



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.37 Disclosure as required by IndAS 24 - "Related Party Disclosure" (Continued)

Transactions with related party during the reporting year

Nature of Transaction	Name of related parties	2020-21	2019-20
Current account transactions			
Short term loans repaid by (Refer note below)	Edelweiss Rural & Corporate Services Limited - ECSL	-	9,688.78
Interest income on loans from	Edelweiss Rural & Corporate Services Limited - ECSL	-	174.39
Business support service charges paid to	Edelweiss Rural & Corporate Services Limited - ECSL	-	21,655.77
	Edelweiss Financial Services Limited	-	5,695.28
Professional Fees paid to	Edelweiss Financial Services Limited	5,012.35	10,000.00
	Edelweiss Rural & Corporate Services Limited - ECSL	59.14	514.37
Sale of fixed assets to	Edelweiss Rural & Corporate Services Limited - ECSL	14.86	45.49
	ECL Finance Limited	-	17.97
	Edelweiss Custodial Services Limited	4.03	-
	Edelweiss Securities Limited	2,649.50	-
	Edelweiss Broking Limited	280.11	444.25
	Edelweiss Asset Reconstruction Company Limited	-	1.97
	Edelweiss Comtrade Ltd	-	1.36
	Edelweiss Housing Finance Limited	16.83	-
	Edelweiss Finvest Private Limited	1.43	-
	Edelweiss Finance and Investments Limited	18.69	-
Purchase of fixed assets from	Edelweiss Broking Limited	114.04	109.13
	Edelweiss Rural & Corporate Services Limited - EBSL	0.05	-
	Edelweiss Global Wealth Management Limited	-	7.40
	Edelweiss Housing Finance Limited	-	24.65
	Edelweiss Securities Limited	8.16	7.18
	Edelweiss Asset Reconstruction Company Limited	3.12	-
	Edelweiss Retail Finance Limited	-	13.79
	Edelweiss Financial Services Limited(Formerly ECL)	-	12.65
	ECL Finance Limited	20.86	28.09
	Edelweiss Custodial Services Limited	0.38	32.29
Usage of Assets - In	Edelweiss Financial Services Limited	1.45	2.62
	Edelweiss Rural & Corporate Services Limited - ECSL	218.56	110.32
	ECap Equities Limited	275.67	4.32
	Edelweiss Securities Limited	23.70	11.69
	ECL Finance Limited	1.11	-
Usage of Assets - Out	ECap Equities Limited	-	1.92
	Edelweiss Financial Services Limited	-	0.99
	Edelweiss Rural & Corporate Services Limited - ECSL	-	22.15
	Edelweiss Securities Limited	-	1.57
Insurance Commission Income received from	Edelweiss General Insurance Company Limited	16,586.19	8.24
Receivable on account of reinsurance premium	Edelweiss General Insurance Company Limited	16,381.57	24,708.03
Cost reimbursements paid to	Edelweiss Financial Services Limited	2,759.17	4,321.92
	Edelweiss Securities Limited	1,563.79	2,422.17
	ECap Equities Limited	19,690.22	1,952.51
	Edelweiss Rural & Corporate Services Limited - ECSL	10,550.69	2,864.22
	Edelweiss Global Wealth Management Limited	-	127.56
	Edelweiss Broking Limited	3,211.90	603.07
	ECL Finance Limited	2.34	-
	Edel Land Limited - Fountain Head	46.45	-
	Edelweiss Custodial Services Limited	3,308.04	4,955.52
	Edelweiss Housing Finance Limited	28.95	-
	Edelweiss General Insurance Company Limited	72.61	-
Reimbursements paid to	Edelweiss Rural & Corporate Services Limited - ECSL	-	157.50
Reimbursement recovered from	Edelweiss Financial Services Limited	-	157.50
Donation Given	EdelGive Foundation	2,300.00	-



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.37 Disclosure as required by IndAS 24 - "Related Party Disclosure" (Continued)

Transactions with related party during the reporting year

Nature of Transaction	Name of related parties	2020-21	2019-20
Balance with related parties as on March 31, 2021			
Trade payables	Edelweiss Financial Services Limited	219.47	234.21
	Edelweiss Rural & Corporate Services Limited - ECSL	1,169.92	18,763.37
	Edelweiss Rural & Corporate Services Limited - EBSL	47.70	-
	Edelweiss Securities Limited	5.17	226.28
	ECap Equities Limited	1,538.73	44.91
	ECL Finance Limited	5.31	-
	Edelweiss Broking Limited	336.33	205.19
	Edelweiss Custodial Services Limited	-	731.31
Trade receivable	Edelweiss Rural & Corporate Services Limited - ECSL	0.03	443.97
	Edelweiss Rural & Corporate Services Limited - EBSL	443.97	-
	Edelweiss Custodial Services Limited	42.00	42.00
	Edelweiss Broking Limited	124.44	-
	Edelweiss Business Services Limited	89.50	89.50
	Edelweiss General Insurance Company Limited	5,107.88	-
	Edelweiss Finance and Investments Limited	22.05	-



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*Continued*)

(Currency : Indian rupees in thousand)

2.38 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 Group 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.

In addition to above, the Company is required to maintain minimum networth as prescribed by various regulatory authorities. The management ensures that this is complied.



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

Fair Values of Financial Instruments

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

	March 31, 2021			
Particulars	Level 1	Level 2	Level 3	Total
Assets measured at fair value on a recurring basis				
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Mutual fund units	-	-	-	-
Total stock-in-trade	-	-	-	-
Investments				
Debt Instruments - Bonds	5,02,634.44			5,02,634.44
Total investments measured at fair value	-	-	-	-
Total financial assets measured at fair value on a recurring basis	-	-	-	-

	March 31, 2021			
Particulars	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Total derivative financial instruments (liabilities)	-	-	-	-
Financial liabilities designated at fair value through profit or loss -				
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-

	March 31, 2020			
Particulars	Level 1	Level 2	31 March 2019	Total
Assets measured at fair value on a recurring basis				
Total derivative financial instruments (assets)	-	-	-	-
Stock-in-trade				
Mutual fund units	3,46,113.75	-	-	3,46,113.75
Total stock-in-trade	3,46,113.75	-	-	3,46,113.75
Investments				
Total investments measured at fair value	-	-	-	-
Total financial assets measured at fair value on a recurring basis	3,46,113.75	-	-	3,46,113.75

	March 31, 2020			
Particulars	Level 1	Level 2	Level 3	Total
Liabilities measured at fair value on a recurring basis -				
Total derivative financial instruments (liabilities)	-	-	-	-
Total financial liabilities designated at FVTPL	-	-	-	-
Total financial liabilities measured at fair value on a recurring basis	-	-	-	-



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*Continued*)

(Currency : Indian rupees in thousand)

2.39 Foreign currency transaction

The Company has incurred expenditure in foreign currency of Rs. 837.51/- during the year (Previous year Rs. 1974.06/-) and Income in foreign currency of Rs. 18.64/- during the year (Previous year: 148.04/-).

2.40 Assets Pledged as Security

IRDA has a lien on fixed deposits aggregating to Rs. 5000/- (previous year: Rs. 5000/-).

2.41 Cost sharing

Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges and other expenses etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, actual identifications, basis of area occupied etc. On the same lines, branch running costs expended (if any) by the Company for the benefit of fellow subsidiaries is recovered by the Company. Accordingly, and as identified by the management, the expenditure heads in note 2.30 include reimbursements paid.

2.42 Employee Stock Option Plans

The 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 group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

2.43 Risk Management

The company has operations in India. While 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 Group is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained. The Group works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

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.

2.44 Collateral held and other credit enhancements

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. They also shows the total fair value of collateral, any surplus collateral (the extent to which the fair value of collateral held is greater than the exposure to which it relates), and the net exposure to credit risk.

<u>March 31, 2021</u>	<u>Maximum exposure to credit risk (carrying amount before ECL)</u>	<u>Principal type of collateral</u>
Financial assets		
Loans	295.69	
Trade receivables	1,431,886.36	
Others	3,439.03	
Total financial assets at amortised cost	1,435,621.08	
Financial assets at FVTPL (except equity)	-	
Total financial instruments at fair value through profit or loss	502,634.44	
Debt instruments at fair value through OCI	-	
	1,938,255.52	
Loan commitments	-	
Financial guarantee contracts	-	
Other commitments (max exposure)	-	
Total	1,938,255.52	



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

<u>March 31, 2020</u>	<u>Maximum exposure to credit risk (carrying amount before ECL)</u>	<u>Principal type of collateral</u>
Financial assets		
Loans	310.34	
Trade receivables	1,163,693.61	
Others	12,129.25	
Total financial assets at amortised cost	1,176,133.20	
Financial assets at FVTPL (except equity)	-	
Total financial instruments at fair value through profit or loss	-	
Debt instruments at fair value through OCI	-	
	1,176,133.20	
Loan commitments	-	
Financial guarantee contracts	-	
Other commitments (max exposure)	-	
Total	1,176,133.20	

2.45 Analysis of risk concentration

Industry analysis - Risk concentration for March 31, 2021

Particulars	Services	Total
Financial assets		
Cash and cash equivalent and other bank balances	380,104.67	380104.67
Investments - Debt Instruments – Bonds	502,634.44	502634.44
Trade and other receivables	1,431,886.36	1431886.36
Loans	295.69	295.69
Other financial assets	3,439.03	3439.03
	2,318,360.19	2318360.19
Other Commitments	-	-
Total	2,318,360.19	2318360.19



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

Industry analysis - Risk concentration for March 31, 2020

Particulars	Services	Total
Financial assets		
Cash and cash equivalent and other bank balances	31,279.71	31279.71
Stock in trade	346,113.75	346113.75
Trade and other receivables	1,163,693.61	1163693.61
Loans	310.34	310.34
Other financial assets	12,129.25	12129.25
	1,553,526.66	1553526.66
Other Commitments	-	-
Total	1,553,526.66	1553526.66

- 2.46 Total market risk exposure**
(Seprate Sheet Attached)
- 2.47 Financial assets available to support future funding**
(Seprate Sheet Attached)
- 2.48 Liquidity Reserves**
(Seprate Sheet Attached)
- 2.49 Analysis of non-derivative financial liabilities by remaining contractual maturities**
(Seprate Sheet Attached)
- 2.50 Maturity analysis of assets and liabilities**
(Seprate Sheet Attached)
- 2.51 Revenue from contract with customers**
(Seprate Sheet Attached)



Edelweiss Gallagher Insurance Brokers Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in thousand)

2.46 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	March 31, 2021			March 31, 2020		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent and other bank balances	3,80,104.67	-	3,80,104.67	31,279.71	-	31,279.71
Stock-in-trade	-	-	-	3,46,113.75	3,46,113.75	-
Investments	5,02,634.44	5,02,634.44	-	-	-	-
Loans	295.69	-	295.69	310.34	-	310.34
Trade receivables	14,26,359.35	-	14,26,359.35	11,63,693.61	-	11,63,693.61
Trade receivables (Group)	5,527.01	-	5,527.01	-	-	-
Others	3,439.03	-	3,439.03	12,129.25	-	12,129.25
Total	23,18,360.19	5,02,634.44	18,15,725.75	15,53,526.66	3,46,113.75	12,07,412.91
				-		
Liability						
Trade payables	9,43,906.83	-	9,43,906.83	7,13,572.54	-	7,13,572.54
Other liabilities	99,659.74	-	99,659.74	30,995.48	-	30,995.48
Total	10,43,566.57	-	10,43,566.57	7,44,568.02	-	7,44,568.02



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.47 Financial assets available to support future funding

Following table sets out availability of assets to support funding:

March 31, 2021	Pledge as collateral	others (note 1)	Available as collateral	others (note 2)	Total carrying amount
Cash and cash equivalent including bank balance	-	2,59,613.90	-	1,20,490.78	3,80,104.67
Debt Instruments - Bonds	-	-	5,02,634.44	-	5,02,634.44
Trade receivables	-	-	14,26,451.43	-	14,26,451.43
Trade receivables (Group)	-	-	5,434.93	-	5,434.93
loans	-	-	295.69	-	295.69
Property, Plant and Equipment	-	-	5,393.47	-	5,393.47
Right to Use Assets	-	-	26,668.58	-	26,668.58
Current tax assets (net)	-	56,357.96	-	-	56,357.96
Deferred tax assets (net)	-	17,614.79	-	-	17,614.79
Other Intangible assets	-	-	28,130.92	-	28,130.92
Other financial assets	-	3,439.03	-	-	3,439.03
Other non financial assets	-	3,389.48	-	-	3,389.48
Total assets	-	3,40,415.16	19,95,009.46	1,20,490.78	24,55,915.39

Following table sets out availability of assets to support funding:

March 31, 2020	Pledge as collateral	others (note 1)	Available as collateral	others (note 2)	Total carrying amount
Cash and cash equivalent including bank balance	-	-	25,855.30	5,424.41	31,279.71
Stock in trade	-	-	3,46,113.75	-	3,46,113.75
Trade receivables	-	-	11,63,693.61	-	11,63,693.61
loans	-	-	310.34	-	310.34
Property, Plant and Equipment	-	-	8,415.41	-	8,415.41
Other Intangible assets	-	4,901.09	-	-	4,901.09
Capital work in progress	-	-	-	-	-
Other financial assets	-	12,129.25	-	-	12,129.25
Other non financial assets	-	4,373.80	-	-	4,373.80
Total assets	-	21,404.14	15,44,388.40	5,424.41	15,71,216.95

Note 1 Represents assets which have lien over it and would not be available for collateral

Note 2 Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the



Edelweiss Gallagher Insurance Brokers Limited**Notes to the financial statements (Continued)**

(Currency : Indian rupees in thousand)

2.48 Liquidity Reserves

The following table sets out the component of Company liquidity reserves:

	March 31, 2021		March 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Cash and cash equivalent	2,59,613.90	2,59,613.90	25,855.30	25,855.30
Bank Balance other than Cash and cash equivalent	1,20,490.78	1,20,490.78	5,424.41	5,424.41
Stock in trade (only to the extent of liquid securities)	-	-	3,46,113.75	3,46,113.75
Other assets (if any, specify) Debt Instruments - Bonds	5,02,634.44	5,02,634.44	-	-
Total Liquidity reserves	8,82,739.11	8,82,739.11	3,77,393.46	3,77,393.46



Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.49 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 March 31, 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	3,328.50	1,55,687.43	2,04,440.80	72,134.65	48,795.74	45,837.76	1,44,571.53	1,77,384.51	91,725.92	-	9,43,906.83
Other financial liabilities					67,791.55			31,868.19	-	-	99,659.74
Total undiscounted non-derivative financial liabilities	3,328.50	1,55,687.43	2,04,440.80	72,134.65	1,16,587.29	45,837.76	1,44,571.53	2,09,252.70	91,725.92	-	10,43,566.57

As at March 31, 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	2,015.73	24,289.54	46,897.82	4,97,615.83	31,458.07	8,916.58	16,716.24	85,662.75	-	-	7,13,572.54
Other financial liabilities		30,995.48							-	-	30,995.48
Total undiscounted non-derivative financial liabilities	2,015.73	55,285.02	46,897.82	4,97,615.83	31,458.07	8,916.58	16,716.24	85,662.75	-	-	7,44,568.02

2.49 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 March 31, 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	2,59,613.90	-	-	-	-	1,15,490.78	-	5,000.00	-	-	3,80,104.67
Investments - Debt Instruments - Bonds	5,02,634.44	-	-	-	-	-	-	-	-	-	5,02,634.44
Trade receivables	-	1,08,738.65	1,26,312.02	1,24,867.45	2,13,580.87	2,56,195.27	3,31,456.26	2,70,735.84	-	-	14,31,886.36
Loans	-	-	-	-	-	-	295.69	-	-	-	295.69
Other financial assets	-	-	-	-	-	-	2,305.00	1,134.03	-	-	3,439.03
Total	7,62,248.33	1,08,738.65	1,26,312.02	1,24,867.45	2,13,580.87	3,71,686.05	3,34,056.95	2,76,869.87	-	-	23,18,360.19

As at March 31, 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	25,855.30	-	-	-	-	106.81	-	5,317.60	-	-	31,279.71
Stock-in-trade	3,46,113.75	-	-	-	-	-	-	-	-	-	3,46,113.75
Trade receivables	-	1,97,828.43	70,519.48	5,25,119.04	77,158.00	1,16,735.69	67,749.21	1,03,993.60	4,590.16	-	11,63,693.61
Loans	-	-	-	-	-	-	310.34	-	-	-	310.34
Other financial assets	-	-	500.00	-	-	-	-	11,629.25	-	-	12,129.25
Total	3,71,969.05	1,97,828.43	71,019.48	5,25,119.04	77,158.00	1,16,842.50	68,059.56	1,20,940.44	4,590.16	-	15,53,526.65



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.50 Maturity analysis of assets and liabilities

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

Particulars	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	2,59,613.90	-	2,59,613.90	25,855.30	-	25,855.30
Other bank balances	1,15,490.78	5,000.00	1,20,490.78	5,424.41	-	5,424.41
Investments - Debt Instruments - Bonds	5,02,634.44	-	5,02,634.44	-	-	-
Stock-in-trade	-	-	-	3,46,113.75	-	3,46,113.75
Trade receivables	11,55,715.59	2,70,735.84	14,26,451.43	11,63,693.61	-	11,63,693.61
Trade receivables (Group)	5,434.93	-	5,434.93	-	-	-
Loans	295.69	-	295.69	310.34	-	310.34
Loans (Group)	-	-	-	-	-	-
Other financial assets	2,305.00	1,134.03	3,439.03	209.41	11,919.84	12,129.25
	20,41,490.32	2,76,869.87	23,18,360.19	15,41,606.82	11,919.84	15,53,526.66
Non-financial assets						
Current tax assets (net)	21,236.41	35,121.55	56,357.96	11,017.89	29,346.54	40,364.43
Deferred tax assets (net)	-	17,614.79	17,614.79	-	18,275.80	18,275.80
Property, plant and equipment	-	5,393.47	5,393.47	-	8,415.41	8,415.41
Right to Use Assets	-	26,668.58	26,668.58	24,653.73	-	24,653.73
Capital work-in-progress	-	-	-	-	-	-
Intangible assets under development	-	-	-	10,382.85	-	10,382.85
Other intangible assets	-	28,130.92	28,130.92	-	4,901.09	4,901.09
Other non-financial assets	2,505.06	884.42	3,389.48	3,847.86	525.93	4,373.80
	23,741.47	1,13,813.73	1,37,555.20	49,902.34	61,464.78	1,11,367.11
Total assets	20,65,231.79	3,90,683.60	24,55,915.39	15,91,509.15	73,384.62	16,64,893.77

Particulars	March 31, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Trade payables	6,71,468	2,69,110	9,40,578	6,92,755	-	6,92,755
Trade payables (Group)	3,328	-	3,328	20,818	-	20,818
Other financial liabilities	67,792	31,868	99,660	30,995	-	30,995
	7,42,588	3,00,979	10,43,567	7,44,568	-	7,44,568
Non-financial liabilities						
Current tax liabilities (net)	50,121	-	50,121	43,033	-	43,033
Provisions	5,290	18,803	24,093	5,901	16,279	22,181
Other non-financial liabilities	33,529	-	33,529	27,574	-	27,574
Other non-financial liabilities (Group)	-	-	-	648	-	648
	88,940	18,803	1,07,743	77,156	16,279	93,436
Total liabilities	8,31,528	3,19,781	11,51,310	8,21,724	16,279	8,38,004
Net	12,33,703	70,902	13,04,606	7,69,785	57,105	8,26,890



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.51 Revenue from contract with customers

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

For the year ended March 31, 2021

Particulars	Fees and commission income
Service transferred at a point in time	6,18,533
Service transferred over time	-
Total revenue from contract with customers	6,18,533

For the year ended March 31, 2020

Particulars	Fees and commission income
Service transferred at a point in time	4,86,045
Service transferred over time	-
Total revenue from contract with customers	4,86,045

2.50a Brokerage income is recognised on accrual basis at the inception of the insurance policy

Lenders insurance advisory fees is recognized on accrual basis when the corresponding service is provided based on the agreed terms.



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*Continued*)

(Currency : Indian rupees in thousand)

2.52 First-time adoption – mandatory exceptions, optional exemptions

The Company has prepared the opening balance sheet as per Ind AS as of 1 April 2017 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Exemptions applied

a) Derecognition of financial assets and financial liabilities

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April 2017 (the transition date).

b) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

c) Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value of all of its plant and equipment, investment property, and intangible assets recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

d) Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

e) Share-based payments

The Company has applied the requirements of Ind AS 102 Share-based payment to equity instruments that are unvested as of the transition to Ind AS (1 April 2017).

2.53 Details of dues to micro and small enterprises

Trade Payables includes Rs. NIL (Previous year: Rs. 0.70/-) payable to “Suppliers” registered under the Micro, and Small Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to “Suppliers” registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.54 Dues to Investor Protection Fund

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2021.

2.55 Corporate Social Responsibility (CSR)

As per the provisions of Section 135 of the Companies Act, 2013,

- a) Gross amount required to be spent by the Company during the year was Rs. 2125.18/-
- b) Amount spent during the year on:

Sr. No.	Particulars	In Cash	Yet to be paid in cash	Total
(i)	Constructions/acquisition of any assets	Nil	Nil	Nil
(ii)	On purpose other than (i) above	Nil	Nil	Nil

The Company is a wholly owned subsidiary of Edelweiss Financial Services Limited. Edelweiss group is conscious of its Corporate Social Responsibility and, had accordingly established a CSR arm, "EdelGive Foundation" in the year 2008. The Company has given donation of Rs. 2300.00 towards CSR activities and has not incurred the prescribed CSR expenditure on a standalone basis during the year ended March 31, 2021.

- 2.56 As per IRDAI Insurance Brokers Regulation 2018 (Regulation 34) the company has received income of Rs. 560432.99 from insurers and insurer's group companies. Also the details of payments received by the group companies of Rs. 21826.13



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousand)

2.55a Details of all the incomes received from insurers and insurer's group companies as follows :

Sr No	Name of Insurer	Income accrued during FY 20-21
1	Aditya Birla Health Insurance Company Limited	9,253.97
2	Alliance Insurance Brokers Private Limited	1,541.01
3	Arthur J. Gallagher (UK) Limited	2,150.54
4	Bajaj Allianz General Insurance Co Ltd.	9,122.23
5	Bharti Axa General Insurance Co.Ltd.	4,606.00
6	Care Health Insurance Limited	912.60
7	Chhattisgarh East West Railway Limited	300.00
8	Cholamandalam Ms General Insurance Co Ltd.	10,161.33
9	Crescent Global UK Ltd.	(148.04)
10	Edelweiss General Insurance Company Limited	16,621.28
11	Export Credit Guarantee Corporation Of India Ltd	0.76
12	Future Generali India Insurance Co.Ltd.	11,457.94
13	GO Digit General Insurance Limited	2,167.72
14	HDFC ERGO General Insurance Co Ltd	5,641.29
15	HDFC ERGO Health Insurance Limited	436.96
16	ICICI Lombard General Insurance Company Ltd	79,138.70
17	Iffco Tokio General Insurance Co. Ltd.	18,848.61
18	Kotak Mahindra General Insurance Company Ltd.	20.52
19	Liberty General Insurance Limited	4,514.79
20	Magma HDI General Insurance Co.Ltd.	110.49
21	ManipalCigna Health Insurance Company Limited	10.04
22	National Insurance Co.Ltd.	1,11,001.86
23	OneAssist Consumer Solutions Private Limited	6,200.00
24	Raheja QBE General Insurance Co.Ltd.	(441.53)
25	Reliance General Insurance Co.Ltd.	16,762.56
26	Royal Sundaram General Insurance Co.Ltd.	6,204.48
27	SBI General Insurance Co.Ltd.	7,816.52
28	SBI Life Insurance Co.Ltd.	12.84
29	Seven H Logistics Private Limited	(150.00)
30	Shriram General Insurance Co. Ltd.	24.17
31	Star Health and Allied Insurance Company Limited	1,951.90
32	Tata AIG General Insurance Co.Ltd.	23,186.98
33	Thane Steels Limited	225.00
34	The New India Assurance Co.Ltd.	82,014.59
35	The Oriental Insurance Co.Ltd.	58,925.97
36	Unichem Laboratories Ltd	73.50
37	United India Insurance Co.Ltd.	36,113.16
38	Universal Sompo General Insurance Co.Ltd.	33,642.30
	Total Income	5,60,432.99

2.55b Details of payment received by the group companies as follows :

Sr No	Group Company Name	Payment received during FY 2020-21	Nature of income
1	Edel Land Ltd.	7.84	Insurance claim received
2	Edelweiss Asset Reconstruction Co. Trust	17.85	Insurance claim received
3	Edelweiss Financial Services Ltd.	1,213.95	Insurance claim received
4	Edelweiss Global Wealth Management Ltd.	22.33	Insurance claim received
5	Edelweiss Rural & Corporate Services Limited	20,547.20	Insurance claim received
6	Edelweiss Tokio Life Insurance Co. Ltd.	16.97	Insurance claim received
	Total payment received	21,826.13	



Edelweiss Gallagher Insurance Brokers Limited

Notes to the financial statements (*Continued*)

(Currency : Indian rupees in thousand)

2.57 Previous year comparatives

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

As per our report of even date attached.

For RSMJ & Associates

Chartered Accountants

Firm Registration No. 118483W

Rahul Sukhwai

Partner

Membership No: 175160

For and on behalf of the Board of Directors

Vinay Sohani

Managing Director & CEO

DIN : 08248678

Sneha Mishra

Executive Director

DIN: 08919447



Mumbai
May 24, 2021

Sanjay Jhanwar

Chief Financial Officer

Mumbai
May 24, 2021

Neha Sengupta

Company Secretary