

Independent Auditors' Report**To the Members of Edelweiss Global Wealth Management Limited
Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of Edelweiss Global Wealth Management Limited ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Management's Responsibilities for the Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting



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

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

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

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

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

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

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



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

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

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

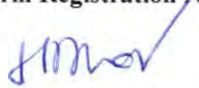
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;



- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W



Haridas Bhat
Partner
Membership No.:39070



UDIN: 21039070AAAAJH3014

Place: Mumbai
Date: May 26, 2021

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Global Wealth Management Limited ('the Company') on the financial statements for the year ended March 31, 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company has conducted physical verification of inventory on the basis of statement received from depository participants and mutual fund account statement in respect of securities held as inventory, at reasonable intervals during the year. No material discrepancies have been noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, services tax, goods and service tax, cess, and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of sales tax, value added tax, duty of excise and duty of custom.


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

- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and service tax and cess which have not been deposited on account of any dispute.



- (viii) In our opinion, and according to information and explanations given to us, the Company has not defaulted in repayment of dues to its financial institution and debenture holders. Further, the Company does not have any loans or borrowings from any banks and government.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of private placement of fully convertible debentures during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W


Haridas Bhat
Partner
Membership No.:39070



UDIN: 21039070AAAAJH3014

Place: Mumbai
Date: May 26, 2021

Annexure B to the Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **Edelweiss Global Wealth Management Limited ("the Company")** as of March 31, 2021 in conjunction with our audit of financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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




Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W


Haridas Bhat
Partner
Membership No.:39070



UDIN: 21039070AAAAJH3014

Place: Mumbai
Date: May 26, 2021

Edelweiss Global Wealth Management Limited

Balance Sheet

(Currency : Indian rupees in thousands)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non current assets			
Property, plant and equipment	2	5,938.05	48,335.10
Other intangible assets	3	315,520.35	449,654.80
Financial assets			
i) Investments	4	21,969,585.18	389,368.26
ii) Other financial assets	5	860.44	162,828.79
Current tax assets (net)	6	37,681.10	48,909.07
Deferred tax assets (net)	7	283,456.76	268,563.43
Other non current assets	8	468,904.11	161,112.92
		<u>23,081,046.00</u>	<u>1,520,772.37</u>
Current assets			
Financial assets			
i) Trade receivables	9	40,062.07	182,398.65
ii) Cash and cash equivalents	10	2,742.00	15,321.31
iii) Other financial assets	11	153,751.57	1,515.59
Current tax assets (net)	12	26,707.91	24,029.97
Other current assets	13	141,944.91	36,731.63
		<u>365,208.46</u>	<u>259,997.15</u>
TOTAL ASSETS		<u>23,447,154.45</u>	<u>1,788,769.52</u>
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	14	230,000.00	230,000.00
Instruments entirely equity in nature	15	22,044,000.00	-
Other equity	16	(411,009.44)	(210,393.20)
		<u>21,862,990.56</u>	<u>19,606.80</u>
LIABILITIES			
Non current liabilities			
Other Non current liabilities	17	-	31,157.80
Provisions	18	9,419.84	8,951.21
		<u>9,419.84</u>	<u>40,109.01</u>
Current liabilities			
Financial liabilities			
(i) Borrowings	19	1,494,983.72	1,631,386.27
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	48		
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	19,876.23	33,820.68
(iii) Other financial liabilities	21	48,698.79	44,732.59
Other current liabilities	22	8,326.28	15,898.35
Provisions	23	2,859.03	1,466.65
Current tax liabilities (net)	24	-	1,749.17
		<u>1,574,744.05</u>	<u>1,729,053.71</u>
TOTAL EQUITY AND LIABILITIES		<u>23,447,154.45</u>	<u>1,788,769.52</u>

Significant accounting policies and notes to the financial statements.

1-50

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

For GMJ & Co.
Chartered Accountants
Firm Registration No.: 103429W

Hari Das Bhat
Partner
Membership No.: 039070



Mumbai
May 26, 2021

For and on behalf of the Board of Directors

AP Venkatchalam
Venkatchalam Ramaswamy
Non-executive Director
DIN: 0000850

Nikhil Srivastava
Non-executive Director
DIN: 07308617

Alok Saigal
Chief Executive Officer

Shirin Patel
Company Secretary

Dinesh Thadani
Chief Financial Officer

Mumbai
May 26, 2021



Edelweiss Global Wealth Management Limited

Statement of Profit and Loss

(Currency : Indian rupees in thousands)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations			
Interest income	25	9,241.13	298.36
Rental income	26	11,972.66	9,806.39
Fee and commission income	27	232,476.98	441,357.40
Net gain on fair value changes (including Treasury income)	28	73,212.50	-
Other operating revenue	29	-	61,735.23
Total Revenue from operations		326,903.27	513,197.38
Other income	30	7,091.04	7,130.09
Total Income		333,994.31	520,327.47
Expenses			
Finance costs	31	164,533.94	185,654.27
Net loss on fair value changes	28	-	83,464.65
Impairment on financial instruments	32	(258.00)	9,264.66
Employee benefits expense	33	141,932.61	179,194.23
Depreciation, amortisation and impairment	2,3	142,435.01	149,668.96
Other expenses	34	100,440.31	131,713.96
Total expenses		549,083.87	738,960.73
Loss before tax		(215,089.56)	(218,633.26)
Tax expenses:			
Current tax		-	(1,230.37)
Deferred tax		(14,762.28)	(69,330.55)
Loss for the year		(200,327.28)	(148,072.34)
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans		(420.00)	16.99
Tax effect on Remeasurement gain / loss on defined benefit plans (OCI)		(131.04)	5.30
Other Comprehensive Income		(288.96)	11.69
Total Comprehensive Income		(200,616.24)	(148,060.65)
Earnings per equity share (Face value of ₹ 10 each):	36		
(1) Basic (Amount in Rupees)		(1.81)	(9.24)
(2) Diluted (Amount in Rupees)		(1.81)	(9.24)
Significant accounting policies and notes to the financial statements.	1-50		

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

For GMJ & Co.

Chartered Accountants
Firm Registration No.: 103429W

Haridas Bhat
Partner

Membership No.: 039070



Mumbai
May 26, 2021

For and on behalf of the Board of Directors

AP Venkatesh
Venkataraman Ramaswamy
Non-executive Director
DIN: 0000850

Alok Saigal
Chief Executive Officer

Dinesh Thadani
Chief Financial Officer

Mumbai
May 26, 2021

Nikhil Srivastava
Non-executive Director
DIN: 0730617

Shirin Patel
Company Secretary



Edelweiss Global Wealth Management Limited

Statement of changes in Equity

(Currency : Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
a) Equity share capital		
Balance at the beginning of the year	230,000.00	160,000.00
Changes in equity share capital during the year (refer note 14)	-	70,000.00
Balance as at the end of the year	230,000.00	230,000.00
b) Instruments entirely equity in nature		
Balance at the beginning of the year	-	-
Changes in Instruments entirely equity in nature during the year	22,044,000.00	-
Balance as at the end of the year	22,044,000.00	-

c) Other Equity

Particulars	Securities premium (refer note a below)	Deemed capital contribution - ESOP (refer note b below)	Retained earnings	Total
Balance at April 1, 2019 (Ind AS)	35,625.00	24,382.48	(119,951.35)	(59,943.87)
Transition impact of Ind AS 116			(3,471.94)	(3,471.94)
Transition impact of Lease DTA Impact - Ind AS 116			1,083.25	1,083.25
Loss for the year			(148,072.34)	(148,072.34)
Other comprehensive income			11.69	11.69
Balance at March 31, 2020 (Ind AS)	35,625.00	24,382.48	(270,400.68)	(210,393.20)
Profit for the year			(200,327.28)	(200,327.28)
Other comprehensive income			(288.96)	(288.96)
Balance at March 31, 2021 (Ind AS)	35,625.00	24,382.48	(471,016.92)	(411,009.44)

Notes :

a) Securities premium

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

b) Deemed capital contribution - ESOP

Edelweiss Financial Services Limited ('EFSL') has stock option plans ('ESOP') and stock appreciation plans rights ('SAR') in force. Based on such ESOP/SAR schemes, EFSL has granted an ESOP/SAR option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy/arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under employee cost.

This is the Statement of Changes in Equity referred to in our report of even date.

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W

Haridas Bhat

Partner

Membership No.: 039070



Mumbai

May 26, 2021

For and on behalf of the Board of Directors

AP Venkatchalam

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Non-executive Director

DIN: 0000850

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Chief Executive Officer

Dinesh Thadani

Chief Financial Officer

Mumbai

May 26, 2021

Nikhil Srivastava

Non-executive Director

DIN: 07308617

Shirin Patel

Company Secretary



Edelweiss Global Wealth Management Limited

Cash Flow Statement

(Currency: Indian rupees in thousands)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities		
Loss before taxation	(215,089.56)	(218,633.26)
Adjustments for:		
Depreciation and amortisation expenses	142,435.01	149,668.96
Net (gain)/ loss on financial instruments at fair value through profit or loss	(15,382.99)	30,333.09
Provision for Expected Credit Loss (ECL) on trade receivables	(9,258.02)	(29,338.20)
Loss/ (Profit) on sale/ write-off of Property, plant and equipment and intangibles (net)	863.53	(396.65)
Profit on sale of long term investment	(86,446.36)	-
Provision for Compensated absences	(995.41)	(367.64)
Lease waiver and profit on pretermination of leases	(5,197.24)	-
Finance costs, incl Bank guarantee commission	164,498.23	185,578.84
Operating cash flow before working capital changes	(24,572.81)	116,845.14
Add / (less): Adjustments for working capital changes		
Decrease in trade receivables	142,594.60	53,585.52
Decrease in loans and other financial assets	18,732.37	58,818.71
Decrease/ (Increase) in other non financial assets	54,474.88	(1,074.37)
Increase/ (Decrease) in Trade payables and other financial liabilities	(397.24)	(69,831.09)
(Decrease)/ Increase in provisions and other non-financial liabilities	(5,040.03)	3,071.74
Cash flow from operations	185,791.77	161,365.65
Income tax paid	(14,657.82)	(11,263.48)
Net cash from operating activities - A	200,449.59	150,102.17
B Cash flow from investing activities		
Purchase of property, plant and equipment, and intangible assets	(721.95)	(7,420.55)
Sale of property, plant and equipment, and intangible assets	6,317.34	764.66
Advance towards Merchant Banking business	(467,479.35)	-
Proceeds from sale of long term investments	495,101.00	-
Purchase of long term investments	(21,981,345.53)	(34,833.63)
Net cash used in investing activities - B	(21,948,128.49)	(41,489.52)
C Cash flow from financing activities		
Proceeds from issue of equity share capital including securities premium	-	70,000.00
Proceeds from issue of CCDs	22,044,000.00	-
(Repayment of)/ Proceeds from short term borrowings (net) (refer note below)	(133,657.84)	20,959.98
Finance costs, incl. Bank guarantee commission	(165,575.54)	(174,291.01)
Finance cost paid (including interest on Leases - Ind AS 116)	(1,667.40)	(4,228.96)
Principal repayment of leases (Ind AS 116)	(7,999.63)	(9,859.51)
Net cash generated from/ (used in) financing activities - C	21,735,099.59	(97,419.50)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(12,579.31)	11,193.15



Edelweiss Global Wealth Management Limited

Cash Flow Statement

(Currency: Indian rupees in thousands)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash and cash equivalents as at the beginning of the year	15,321.31	4,128.16
Cash and cash equivalents as at the end of the year (refer note 10)	2,742.00	15,321.31
1 Cash and cash equivalents include the following:		
Cash in hand	-	5.42
Balances with scheduled banks:		
In current accounts	2,742.00	15,315.89
Cash and cash equivalents	<u>2,742.00</u>	<u>15,321.31</u>

Note: 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 GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W



Haridas Bhat

Partner

Membership No.: 039070

For and on behalf of the Board of Directors



Venkatchalam Ramaswamy

Non-executive Director

DIN: 0000850



Nikhil Srivastava

Non-executive Director

DIN: 07308617



Alok Saigal

Chief Executive Officer



Shirin Patel

Company Secretary



Dinesh Thadani

Chief Financial Officer

Mumbai

May 26, 2021

Mumbai

May 26, 2021



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.1 Background

Edelweiss Global Wealth Management Limited ("the Company") was incorporated on October 9, 2007.

The Company holds Investment Advisor registration with Securities and Exchange Board of India (SEBI) for providing advisory services to the clients. The Company also invests in units of Alternative Investment Funds.

1.2 Basis of preparation of financial statements

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

These financial statements for the year ended March 31, 2021 are the financial statements of the Company prepared under Ind AS.

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

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

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

In preparing the accompanying financial results, the Company's management has view that there is no material impact of the pandemic on its operations and its assets as at March 31, 2021.

1.3 Presentation of financial statements

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

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

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

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.3 Presentation of financial statements (*Continued*)

Assets

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

Liabilities

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

1.4 Significant accounting policies

1.4.1 Recognition of interest and dividend income

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

Dividend income is recognised in profit or loss when the Company's right to receive payment of the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity, and the amount of the dividend can be measured reliably.

1.4.2 Financial Instruments

a) Date of recognition

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

b) 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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.2 Financial Instruments (Continued)

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

a) Financial assets:

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

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

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

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

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

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

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

i. Amortized cost and Effective interest method:

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

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees 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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.2 Financial instruments (Continued)

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.

ii. Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss.

b) 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.

c) Financial assets and Financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and mandatorily required to be measured at fair value under Ind AS 109.

Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.

d) Financial liabilities and equity instruments

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

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

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.3 Derecognition of financial assets and financial liabilities

a) Derecognition of financial assets due to substantial modification of terms and conditions:

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

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

b) Derecognition of financial assets (other than due to substantial modification):

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

The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

c) 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 financial liability are substantially modified, such an exchange or modification is treated as a derecognition of the original financial liability and the recognition of a new financial liability. The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

1.4.4 Reclassification of financial assets and financial liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.5 Impairment of financial assets

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables and lease 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 (Expected Credit Loss (ECLs)) at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its receivables. The provision matrix is based on its historically observed default rates over the expected life of the receivables. However if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure expected credit losses.

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

1.4.6 Write off

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

1.4.7 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:



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.8 Determination of fair value (Continued)

- **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.

1.4.9 Revenue from contract with customer

Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contract and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained.

The Company recognises revenue from the following sources:

Fee income including advisory fees, referral fees, commission income are accounted at a point in time as the customer receives and consumes the benefits.

1.4.10 Operating leases

Company as a lessee:

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract is or contains lease



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.10 Operating leases (Continued)

Measurement and recognition

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

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

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

Short term lease

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

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

Company as lessor:

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

1.4.11 Earnings per share

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

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.11 Earnings per share (Continued)

dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

1.4.12 Foreign currency transactions

The Financial statements are presented in Indian Rupees. 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

1.4.13 Retirement and other employee benefit

Provident fund and national pension scheme

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

a) Gratuity

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

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

b) Compensated Absences

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

1.4.14 Share-based payment arrangements

Certain employees of the Company have been granted equity-settled ESOPs by Edelweiss Financial Services Limited ('EFSL'). The Company recognizes a cost with respect to the services received from the said employees measured by reference to the fair value of the equity instruments granted by EFSL at the grant



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.14 Share-based payment arrangements (Continued)

date. The fair value determined at the grant date is expensed over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in deemed capital contribution from EFSL, to the extent it is not recovered by EFSL.

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 deemed capital contribution to the extent it is not recovered by the ultimate parent company. 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.

1.4.15 Property, plant and equipment and right – of – use assets

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

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

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

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

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Building (other than Factory Building)	60 years
Furniture and fixtures	10 years
Vehicles	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.15 Property, plant and equipment and right – of – use assets (Continued)

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

Right of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy 1.4.10. Right-of-use assets are depreciated on a straight-line basis over the lease term.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The carrying amount of those components which have been separately recognised as assets is derecognised at the time of replacement thereof. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.4.16 Intangible assets

The Company's intangible assets mainly include the value of computer software. 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 assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over the useful economic life.

Intangibles such as software is amortised over a period of upto 5 years based on its estimated useful life.

1.4.17 Impairment of non-financial assets

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

1.4.18 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.19 Provisions and other contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities. Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

1.4.20 Income tax expenses

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

a) Current tax

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

b) Deferred tax

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

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

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.4.20 Income tax expenses (Continued)

- the entity will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
 - tax planning opportunities are available that will create taxable profit in appropriate periods.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

c) Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum alternate tax (MAT)

MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognises unused MAT credit as a deferred tax asset only to the extent that it is probable that the Company will be able to utilise during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises deferred tax asset (MAT credit) as an asset, the said asset is created by way of credit to the statement of profit and loss. The Company reviews the MAT asset at each reporting date and writes down the asset to the extent that it is not probable that the Company will be able to utilise it during the specified period.

1.5 Critical accounting judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements for the year ended March 31, 2021

1.5 Critical accounting judgements and key sources of estimation uncertainty *(Continued)*

However it may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Effective interest rate method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given/ taken and recognises the effect of characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

b) Accounting for deferred taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has recognised deferred tax assets on carried forward tax losses where the Company believes that the said deferred tax assets shall be recoverable based on the estimated future taxable income which in turn is based on approved business plans and budgets. The losses are allowed to be carried forward to the years in which the Company expects that there will be sufficient taxable profits to offset these losses.

1.6 Standards issued but not yet effective

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian Rupees in thousands)

2 Property, plant and equipment

Description of assets	Gross block					Accumulated depreciation				Net block	
	As at April 1, 2020	Transition impact of Ind AS 116	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	As at March 31, 2021
Leasehold improvements	9,832.55	-	(1,280.97)	2,513.49	6,038.09	3,566.75	1,466.80	1,420.51	3,613.04	2,425.05	
Furniture and fittings	1,757.96	-	1,002.60	1,956.68	803.88	870.19	492.74	1,300.72	62.21	741.67	
Motor vehicles	2,859.53	-	-	-	2,859.53	1,929.68	290.43	-	2,220.11	639.42	
Office equipments	4,069.74	-	330.45	2,059.17	2,341.02	2,013.61	976.45	1,763.91	1,226.15	1,114.87	
Computers	3,967.55	-	491.37	3,640.03	818.89	2,732.47	598.71	3,270.19	60.99	757.90	
Right of Use (ROU) -leasehold premises	47,497.75	-	-	27,541.95	19,955.80	10,537.28	9,159.38	-	19,696.66	259.14	
Total	69,985.08	-	543.45	37,711.32	32,817.21	21,649.98	12,984.51	7,755.33	26,879.16	5,938.05	

Description of assets	Gross block					Accumulated depreciation				Net block	
	As at April 1, 2019	Transition impact of Ind AS 116	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	As at March 31, 2020
Leasehold improvements	5,011.36	-	4,821.19	-	9,832.55	1,874.76	1,691.39	-	3,566.75	6,265.80	
Furniture and fittings	2,293.48	-	(506.32)	29.20	1,757.96	602.79	286.42	19.02	870.19	887.77	
Motor vehicles	3,495.81	-	-	636.28	2,859.53	1,849.00	484.27	403.59	1,929.68	929.85	
Office equipments	2,456.05	-	1,645.69	32.00	4,069.74	1,076.14	962.50	25.03	2,013.61	2,056.13	
Computers	5,569.73	-	965.66	2,567.84	3,967.55	3,959.34	1,222.80	2,449.67	2,732.47	1,235.08	
Right of Use (ROU) -leasehold premises	-	15,744.30	31,753.45	-	47,497.75	-	10,537.28	-	10,537.28	36,960.47	
Total	18,826.43	15,744.30	38,679.67	3,265.32	69,985.08	9,362.03	15,185.26	2,897.31	21,649.98	48,335.10	



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency: Indian Rupees in thousands)

3 Other intangible assets

Description of assets	Gross block				Accumulated amortisation				Net block
	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
Computer software	595,466.33	82.88	18,688.21	576,861.00	145,811.53	129,450.50	13,921.38	261,340.65	315,520.35
Total	595,466.33	82.88	18,688.21	576,861.00	145,811.53	129,450.50	13,921.38	261,340.65	315,520.35

Description of assets	Gross block				Accumulated amortisation				Net block
	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
Computer software	591,500.01	3,966.32	-	595,466.33	11,327.82	134,483.71	-	145,811.53	449,654.80
Total	591,500.01	3,966.32	-	595,466.33	11,327.82	134,483.71	-	145,811.53	449,654.80



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

4 Investments

Particulars	As at March 31, 2021			As at March 31, 2020		
	Face Value (Amount in rupees)	Quantity	Amount	Face Value (Amount in Rupees)	Quantity	Amount
Unquoted						
<i>Investments in equity instruments of subsidiaries (fully paid up) - (Carried at cost, within India)</i>						
Edelweiss Securities Limited	10	17,555,990.00	21,576,518.91	-	-	-
Investment in units of Alternative Investment Funds (at fair value through Statement of Profit & Loss, within India)						
Forefront Alternative Investment Trust - Edelweiss Equity Scheme	-	-	-	10	5,003,561.39	112,330.95
Ambit Alpha Fund Scheme I	-	-	-	1,000	95,988.38	115,224.16
Edelweiss Crossover Opportunities Fund	-	-	-	10	4,711,247.64	47,255.23
Edelweiss Catalyst Opportunities Fund	-	-	-	10	10,209,203.27	79,649.14
Edelweiss Crossover Opportunities Fund - Series II	-	-	-	10	3,454,604.64	34,908.78
Edelweiss Value and Growth Fund	100,000	2,361.18	393,066.27	-	-	-
			21,969,585.18			389,368.26



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

4 Investments (Continued)

Unconsolidated Structured Entities

The following tables show the carrying amount of the Company's recorded interest in its Balance sheet as well as the maximum exposure to risk (as defined in below) due to exposures in unconsolidated structured entities:

Particulars	March 31, 2021		March 31, 2020	
	Carrying amount	Maximum exposure	Carrying amount	Maximum exposure
Investments in units of Alternative Investment Funds	393,066.27	393,066.27	389,368.26	389,368.26
Total Assets	393,066.27	393,066.27	389,368.26	389,368.26
Total Liabilities				
Off-balance sheet exposure	-	NA	12,500.00	NA
Size of the structured entities	908,140.98	NA	26,261,511.96	NA
Income from the structured entities	101,829.35	NA	(30,333.09)	NA

The size of the structured entity refers to assets under management of alternative investment funds. For investments in structured entities, the carrying value reflects the Company's maximum exposure to loss.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
5 Other financial assets		
Security Deposits - Rent	-	83,465.28
Other deposits	860.44	747.94
Receivable towards real estate advances	-	78,615.57
	860.44	162,828.79
6 Current tax assets (net)		
Advance income taxes	37,681.10	48,909.07
	37,681.10	48,909.07
7 Deferred tax assets (net)		
<u>Deferred tax assets</u>		
<u>Trade receivables and financial assets</u>		
Provision for expected credit losses	2,508.50	5,397.00
<u>Investments and other financial instruments</u>		
Fair valuation of investments - loss in valuation	-	4,568.72
<u>Employee benefit obligations</u>		
Provision for compensated absences & Gratuity	3,804.79	3,194.32
<u>Unused tax credit</u>		
MAT credit entitlement	85,684.34	85,684.34
<u>Unused tax losses</u>		
Accumulated Losses	212,426.53	212,426.53
Others	22,733.20	5,893.96
	327,157.36	317,164.87
<u>Deferred tax liabilities</u>		
<u>Property, plant and equipment and intangibles</u>		
Difference between book and tax depreciation	43,469.83	48,601.44
<u>Investments and other financial instruments</u>		
Fair valuation of investments - gain in valuation	230.77	-
	43,700.60	48,601.44
	283,456.76	268,563.43
8 Other non current assets		
(Considered goods, unless stated otherwise)		
Capital Advances	-	159,438.70
Advances recoverable in cash or in kind or for value to be received	467,479.35	-
Prepaid expenses	1,424.76	1,674.22
	468,904.11	161,112.92
9 Trade receivables		
Receivables considered good - Unsecured	40,062.07	182,398.65
Receivables - Credit impaired	8,040.06	8,298.08
	48,102.13	190,696.73
Less : Allowance for expected credit losses	8,040.06	8,298.08
	40,062.07	182,398.65



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

9 Trade receivables (Continued)

a. Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance measured as per simplified approach	
As on April 01, 2019	46,636.28
Less: asset originated or acquired (net)	(38,338.20)
As on March 31, 2020	8,298.08
Less: asset originated or acquired (net)	(258.02)
As on March 31, 2020	8,040.06

b. Provision matrix for trade receivables

Trade receivables days past due	1-90 days	91-180 days	more than 180 days	Total
As at March 31, 2021				
ECL rate	0.17%	17.32%	97.96%	16.71%
Estimated total gross carrying amount at default	39,673.61	354.00	8,074.52	48,102.13
Expected Credit Loss (ECL)	(69.02)	(61.32)	(7,909.72)	(8,040.06)
Net carrying amount	39,604.59	292.68	164.80	40,062.07
As at March 31, 2020				
ECL rate	0.35%	-	99.17%	4.35%
Estimated total gross carrying amount at default	182,971.28	-	7,725.45	190,696.73
Expected Credit Loss (ECL)	(636.74)	-	(7,661.34)	(8,298.08)
Net carrying amount	182,334.54	-	64.11	182,398.65



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
10 Cash and cash equivalents		
Cash on hand	-	5.42
Balances with banks - in current accounts	2,742.00	15,315.09
	2,742.00	15,321.31
11 Other financial assets (Considered good unless stated otherwise)		
Security Deposits - Rent	80,139.78	-
Accrued Interest on Security deposit	-	268.52
Advances recoverable in cash or in kind or for value to be received	2,836.04	1,247.07
Receivable towards real estate advances	70,775.75	-
	153,751.57	1,515.59
12 Current tax assets (net)		
Advance income taxes	26,707.91	24,029.97
	26,707.91	24,029.97
13 Other current assets (Unsecured Considered good)		
Input tax credit	8,998.73	30,120.02
Capital Advances	125,742.16	-
Prepaid expenses	6,026.23	6,579.29
Vendor Advances	1,145.47	-
Advances to employees	32.32	32.32
	141,944.91	36,731.63



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
14 Equity share capital		
Authorised :		
2,323,000,000 (Previous year: 23,000,000) equity shares of ₹ 10 each	23,230,000.00	230,000.00
4,000,000 (Previous year: 4,000,000) Preference shares of ₹ 10 each	40,000.00	40,000.00
	<u>23,270,000.00</u>	<u>270,000.00</u>
Issued, subscribed and paid up.		
23,000,000 (Previous year: 23,000,000) equity shares of ₹ 10 each	230,000.00	230,000.00
	<u>230,000.00</u>	<u>230,000.00</u>

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	23,000,000	230,000.00	16,000,000	160,000.00
Shares issued during the year	-	-	7,000,000	70,000.00
Outstanding at the end of the year	<u>23,000,000</u>	<u>230,000.00</u>	<u>23,000,000</u>	<u>230,000.00</u>

b. Terms/ rights attached to equity shares :

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

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

	March 31, 2021		March 31, 2020	
	No of shares	%	No of shares	%
Edelweiss Financial Services Limited and its nominees	23,000,000	100%	-	-
Edelweiss Financial Services Limited, the holding company and its nominees	-	-	23,000,000	100%
	<u>23,000,000</u>	<u>100%</u>	<u>23,000,000</u>	<u>100%</u>

15 Instruments entirely equity in nature

Issued, Subscribed and Paid up:

22,044,000 (Previous year: Nil) 0.001% Compulsorily Convertible Debentures (CCDs) of ₹ 1000 each.	22,044,000.00	-
	<u>22,044,000.00</u>	<u>-</u>

During the year, the Company allotted 21,919,000 - 0.001% Compulsorily Convertible Debentures ('CCDs') of face value of ₹ 1,000 each to PAGAC Ecstasy Pte. Ltd (PAGAC) and 125,000 - 0.001% Compulsorily Convertible Debentures ('CCDs') of face value of ₹ 1,000 each to Edelweiss Financial Services Limited. Further, 125,000 CCDs held by Edelweiss Financial Services Limited were also transferred to PAGAC. These CCDs are unsecured. The CCD holder can at anytime within 24 months from the date of allotment seek the conversion of the CCDs into equity shares of the Company as per the terms of issue thereof.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
16 Other Equity		
Securities premium	35,625.00	35,625.00
Deemed capital contribution - ESOP	24,382.48	24,382.48
Retained earnings		
Opening Balance	(270,400.68)	(119,951.35)
Transition impact of Ind AS 116	-	(3,471.94)
Transition impact of Lease DTA Impact - Ind AS 116	-	1,083.25
Add: Loss for the year	(200,327.28)	(148,072.34)
Add: Other comprehensive income for the year	(288.96)	11.69
	<u>(471,016.92)</u>	<u>(270,400.68)</u>
	<u>(411,009.44)</u>	<u>(210,393.20)</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
17 Other Non current liabilities		
Lease Liability	-	31,157.80
	<u>-</u>	<u>31,157.80</u>
18 Provisions		
Provision for employee benefits		
Gratuity	8,630.00	7,239.96
Compensated absences	789.84	1,711.25
	<u>9,419.84</u>	<u>8,951.21</u>
19 Borrowings (other than debt securities)		
(At amortised cost, within India)		
<u>Unsecured</u>		
Loan from related parties	1,482,564.39	1,616,222.23
Interest accrued and due on borrowings	12,419.33	15,164.04
(Repayable on demand at Interest rate ranging From 10.35% to 12.40% p.a. (Previous year 11.60% to 12.25% p.a))		
	<u>1,494,983.72</u>	<u>1,631,386.27</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	As at March 31, 2021	As at March 31, 2020
20 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises (includes sundry creditors, provision for expenses)	19,876.23	33,820.68
	<u>19,876.23</u>	<u>33,820.68</u>
21 Other financial liabilities		
Other payables	14,441.79	33,787.74
Accrued salaries and benefits	33,687.50	448.66
Retention money payable	198.14	543.82
Lease Liability	371.36	9,952.37
	<u>48,698.79</u>	<u>44,732.59</u>
22 Other current liabilities		
Income received in advance	30.89	417.81
Withholding taxes, Goods and service tax and other taxes payable	7,428.51	14,620.71
Others	866.88	859.83
	<u>8,326.28</u>	<u>15,898.35</u>
23 Provisions		
Provision for employee benefits		
Gratuity	2,522.00	960.00
Compensated absences	253.00	327.00
Provision for Capex	84.03	179.65
	<u>2,859.03</u>	<u>1,466.65</u>
24 Current tax liabilities (net)		
Provision for taxation	-	1,749.17
	<u>-</u>	<u>1,749.17</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	for the year ended March 31, 2021	for the year ended March 31, 2020
25 Interest Income (On Financial assets measured at amortised cost)		
Interest Income - Others	9,241.13	298.36
	<u>9,241.13</u>	<u>298.36</u>
26 Rental Income	11,972.66	9,806.39
	<u>11,972.66</u>	<u>9,806.39</u>
27 Fee income		
Advisory and other fees	232,476.98	441,357.40
	<u>232,476.98</u>	<u>441,357.40</u>
Below is the disaggregation of the revenue from contracts with customers:		
Service transferred at a point in time	231,605.57	439,792.41
Service transferred over time	871.41	1,564.99
Total revenue from contract with customers	<u>232,476.98</u>	<u>441,357.40</u>
28 Net gain on fair value changes		
Net gain/ (loss) on financial instruments at fair value through profit or loss On trading portfolio		
- Investments		
Profit on trading of securities (net)	603.76	12,513.61
Fair value gain/ (loss) on investments	15,382.99	(30,333.09)
- Others		
Profit on sale of long term investment	86,446.36	-
Loss on sale of real estate	(3,368.40)	-
Fair value loss on other assets	(25,852.21)	(65,645.17)
Total Net gain / (loss) on fair value changes	<u>73,212.50</u>	<u>(83,464.65)</u>
Fair value changes:		
Realised	99,064.71	12,513.61
Unrealised	(25,852.21)	(95,978.26)
Total Net gain / (loss) on fair value changes	<u>73,212.50</u>	<u>(83,464.65)</u>
29 Other operating revenue		
Sale of rights	-	61,735.23
	<u>-</u>	<u>61,735.23</u>
30 Other income		
Profit on sale of property, plant and equipment (net)	-	396.65
Interest income on income tax refund	1,778.53	6,624.34
Miscellaneous income	5,312.51	109.10
	<u>7,091.04</u>	<u>7,130.09</u>



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	for the year ended March 31, 2021	for the year ended March 31, 2020
31 Finance costs		
<i>(On Financial liabilities measured at amortised cost)</i>		
Interest on deposits	1,804.99	-
Interest on borrowings	161,025.84	181,349.89
Other interest expense	35.71	75.42
Interest Expenses on lease liabilities	1,667.40	4,228.96
	164,533.94	185,654.27
32 Impairment on financial instruments		
<i>(On Financial instruments measured at amortised cost)</i>		
Bad-debts written off	9,000.02	38,602.86
Provision for expected credit losses on trade receivable	(258.02)	(38,338.20)
Provision for expected credit losses on Financial assets	(9,000.00)	9,000.00
	(258.00)	9,264.66
33 Employee benefit expenses		
Salaries and wages	124,823.51	139,943.18
Contribution to provident and other funds	3,233.90	5,486.54
Expense on Employee Stock Option Scheme (ESOP)*	5,766.61	21,871.81
Staff welfare expenses (refer note 47)	1,346.16	3,073.85
Expense on Employee Stock Appreciation Rights (SAR)*	6,762.43	8,818.85
	141,932.61	179,194.23

* Edelweiss Financial Services Limited ('EFSL') has stock option plans ('ESOP') and stock appreciation plans rights ('SAR') in force. Based on such ESOP/SAR schemes, EFSL has granted an ESOP/SAR option to acquire equity shares of EFSL that would vest in a graded manner to Company's employees. Based on group policy/arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under employee cost.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

	for the year ended March 31, 2021	for the year ended March 31, 2020
34 Other expenses		
Advertisement and business promotion	3,601.50	9,698.43
Auditors' remuneration (refer note a below)	1,000.00	1,084.73
Commission and brokerage	(4,441.91)	(20,924.16)
Communication	1,208.12	1,575.80
Computer expenses	2,505.30	1,254.70
Computer software	31,208.57	39,884.54
Corporate Social Responsibility (CSR) -Donation (refer note b below)	301.00	500.00
Donation		25.00
Electricity charges (refer note 47)	960.64	1,101.87
Foreign exchange loss (net)	87.34	113.81
Insurance	82.81	92.96
Legal and professional fees	3,145.70	7,524.76
Loss on sale of fixed assets	863.53	-
Membership and subscription	2,672.29	1,021.17
Office expenses	5,078.92	49,562.01
Postage and courier	96.53	304.33
Printing and stationery	323.75	798.66
Rates and taxes	162.08	546.81
Rent (refer note 47)	12,636.36	11,448.97
Repairs and maintenance	1,496.89	2,875.88
ROC expenses	22,890.03	4.80
Seminar and conference	(26.00)	703.96
Goods and service tax expenses	(607.20)	6,592.06
Stamp duty	5,725.89	344.99
Stock exchange expenses	50.01	-
Travelling and conveyance	2,653.56	10,514.13
Miscellaneous expenses	10.37	85.07
Operating losses	4,537.00	-
Outside Services Cost	2,217.23	5,028.68
	100,440.31	131,713.96
34a Auditors' remuneration:		
As Auditors	800.00	1,000.00
For other services	200.00	-
Towards reimbursement of expenses	-	84.73
	1,000.00	1,084.73
34b Details of Corporate social responsibility (CSR) activities		
a. Gross amount required to be spent by the Company during the year	300.65	Nil
b. Amount spent during the year		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above	301.00	500.00
	301.00	500.00



Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

35 Income tax disclosures

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

Particulars	March 31, 2021	March 31, 2020
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	(1,230.37)
Deferred tax relating to origination and reversal of temporary differences	(14,762.28)	(4,080.61)
Deferred tax asset recognised on unused tax credit or unused tax losses	-	(65,249.94)
Total tax charge	(14,762.28)	(70,560.92)
Current tax	-	(1,230.37)
Deferred tax	(14,762.28)	(69,330.55)

b. Reconciliation of total tax charge

Particulars	March 31, 2021	March 31, 2020
Accounting profit before tax as per financial statements	(215,089.56)	(218,633.26)
Tax rate (in percentage)	31.20%	31.20%
Income tax expense calculated based on this tax rate	(67,107.94)	(68,213.58)
Adjustment in respect of current income tax of prior years	-	(1,230.37)
Effect of non-deductible expenses	105.08	168.29
Effect of non-recognition of deferred tax asset on current-period losses	76,839.33	-
Effect of Income tax WDV on Property, plant and Equipment	1,200.96	-
Effect of recognition of deferred tax asset on prior period losses - earlier not recognised	-	(1,285.26)
Impact of certain items being taxed at different rates (for example, capital gains at different rates, etc.)	(25,920.33)	-
Others	120.62	-
Tax charge for the year recorded in Statement of Profit and Loss	(14,762.28)	(70,560.92)



35 Income tax disclosures (Continued)

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

	Movement for the year ended March 31, 2021					Closing deferred tax asset as per Ind AS
	Opening deferred tax asset as per Ind AS	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Others	Total movement	
Deferred taxes in relation to:						
Property, Plant and Equipment and Intangible assets	(48,601.44)	5,131.61	-	-	5,131.61	(43,469.83)
Investments	4,568.72	(4,799.49)	-	-	(4,799.49)	(230.77)
Trade receivables	5,397.00	(2,888.50)	-	-	(2,888.50)	2,508.50
Employee benefits obligations	3,194.32	479.43	131.04	-	610.47	3,804.79
ESOP Cost	-	3,383.37	-	-	3,383.37	3,383.37
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	212,426.53	-	-	-	-	212,426.53
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	85,684.34	-	-	-	-	85,684.34
Other financial assets	4,217.84	8,065.89	-	-	8,065.89	12,283.73
Others (Preliminary expenses)	1,676.12	5,389.98	-	-	5,389.98	7,066.10
Total	268,563.43	14,762.29	131.04	-	14,893.33	283,456.76

	Movement for the year ended March 31, 2020					Closing deferred tax asset as per Ind AS
	Opening deferred tax asset as per Ind AS	Recognised in Statement of profit and loss	Recognised in other comprehensive income	Others	Total movement	
Deferred taxes in relation to:						
Property, Plant and Equipment and Intangible assets	(31,756.94)	(16,844.50)	-	-	(16,844.50)	(48,601.44)
Investments	(4,895.20)	9,463.92	-	-	9,463.93	4,568.72
Trade receivables	14,550.52	(9,153.52)	-	-	(9,153.52)	5,397.00
Employee benefits obligations	3,309.02	(109.40)	(5.30)	-	(114.70)	3,194.32
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	147,176.59	65,249.94	-	-	65,249.94	212,426.53
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	85,684.34	-	-	-	-	85,684.34
Other financial assets	(16,263.45)	20,481.29	-	-	20,481.29	4,217.84
Others (Preliminary expenses)	350.06	242.81	-	1,083.25	1,326.05	1,676.12
Total	198,154.94	69,330.54	(5.30)	1,083.25	70,408.49	268,563.43

d. Break-up of recognition of current tax	March 31, 2021	March 31, 2020
In Statement of Profit and Loss	-	(1,230.37)

e. Break-up of income tax recorded in OCI	March 31, 2021	March 31, 2020
Deferred tax		
Remeasurement gain/ loss on defined benefit plans (OCI)	(131.04)	5.30

f. Details of temporary differences where deferred tax assets have not been recognised in the balance sheet

As at March 31, 2021	Unused tax losses				
Financial Year to which the loss relates to	Unabsorbed Depreciation		Business Loss		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
F.Y. 2020-21	113,849.84	Unlimited	17,767.48	F.Y. 2028-29	131,617.32
Total	113,849.84		17,767.48		131,617.32

Nil disclosure for March 31, 2020



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

36 Earnings per share

The computation of earning per share is set out below:

Particulars	March 31, 2021	March 31, 2020
Net amount attributable to the equity share holders (as per statement of profit and loss)	(200,327.28)	(148,072.34)
Add : Interest on potential equity shares (Compulsorily Convertible Debentures ('CCDs'))	8.47	-
Net adjusted loss for the year	(200,318.81)	(148,072.34)
Calculation of weighted average number of equity shares of ₹ 10		
- Number of shares at the beginning of the year	23,000,000	16,000,000
- Number of shares issued during for the year	-	7,000,000
- Number of shares on conversion of Compulsorily Convertible Debentures (CCDs) (1 CCD = 103.29 Equity Shares)	2,277,000,000	
Total number of equity shares outstanding at the end of the year	2,300,000,000	23,000,000
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares/ CCDs)	110,536,781	16,019,126
Basic earnings per share (in ₹)	(1.81)	(9.24)
Diluted earnings per share (in ₹)	(1.81)	(9.24)

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in thousands)

37 Segment reporting

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

Segment	Activities Covered
Agency business	Advisory and product distribution services
Capital based business	Income from investments

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

The following table gives information as required under the Ind AS 108 on Operating Segment Reporting:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
I Segment revenue		
a) Agency business	229,782.67	513,703.12
b) Capital based business	102,433.11	-
c) Unallocated	1,778.53	6,624.34
Total Income	333,994.31	520,327.46
II Segment results		
a) Agency business	(287,707.20)	(168,383.55)
b) Capital based business	70,842.16	(56,874.05)
c) Unallocated	1,775.48	6,624.34
Total	(215,089.56)	(218,633.26)
Loss before taxation	(215,089.56)	(218,633.26)
Less : Provision for taxation	(14,762.28)	(70,560.92)
Loss after taxation	(200,327.28)	(148,072.34)
III Segment assets		
a) Agency business	668,255.62	1,057,289.50
b) Capital based business	22,431,053.06	389,977.55
c) Unallocated	347,845.77	341,502.47
Total	23,447,154.45	1,788,768.52
IV Segment liabilities		
a) Agency business	1,327,549.88	1,412,703.14
b) Capital based business	256,614.01	354,710.41
c) Unallocated	-	1,749.17
Total	1,584,163.89	1,769,162.72
V Capital expenditure (Including Capital Work-In-Progress)		
a) Agency business	626.32	(355,413.64)
b) Capital based business	-	35,267.14
c) Unallocated	-	339,753.30
Total	626.32	19,606.80
VI Depreciation, amortisation and impairment		
a) Agency business	142,341.90	149,668.96
b) Capital based business	93.11	-
c) Unallocated	-	-
Total	142,435.01	149,668.96
VII Significant non-cash expenses other than depreciation, amortisation and impairment		
a) Agency business	1,423.84	8,901.12
b) Capital based business	30.15	(4.10)
c) Unallocated	-	-
Total	1,453.99	8,897.02



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in thousands)

38 Disclosure pursuant to Ind AS 19 - Employee benefits

A) Defined contribution plan (Provident fund):

An amount of ₹ 3,174.10 thousands (Previous year: ₹ 5,486.46 thousands) is recognised as expenses and included in "Employee benefit expenses" – as per note 33 in the statement of profit and loss.

B) Defined benefit plan (gratuity):

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

Reconciliation of Defined Benefit Obligation (DBO)

	March 31, 2021	March 31, 2020
Present Value of DBO at start of the year	8,200.00	8,144.00
<i>Service cost</i>		
a. Current service cost	1,276.00	1,457.00
b. Past service cost	974.00	44.00
c. Loss/(Gain) from settlement		-
Interest cost	457.00	422.00
Benefits paid	(291.00)	-
<i>Re-measurements</i>		
a. Actuarial loss/ (gain) from changes in demographic assumptions	(452.00)	5.00
b. Actuarial loss/ (gain) from changed in financials assumptions	383.00	621.00
c. Actuarial loss/(gain) from experience over last past year	489.00	(643.00)
Effect of acquisition / (divestiture)	-	-
Changes in foreign exchange rate	-	-
Transfer in / (out)	116.00	(1,850.00)
Present value of DBO at end of the year	11,152.00	8,200.00



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in thousands)

38 Disclosure pursuant to Ind AS 19 - Employee benefits (Continued)

Expenses recognised in the statement of profit and loss

	March 31, 2021	March 31, 2020
<i>Service Cost</i>		
a. Current service cost	1,276.00	1,457.00
b. Past service cost	974.00	44.00
c. Loss/(gain) from settlement	-	-
Net Interest on net defined benefit liability / (asset)	457.00	422.00
Changes in foreign exchange rate	-	-
Employer expenses	2,707.00	1,923.00

Net Liability / (Asset) recognised in the Balance sheet

	March 31, 2021	March 31, 2020
Present value of DOB	11,152.00	8,200.00
Fair value of plan assets	-	-
Liability recognised in the Balance Sheet	11,152.00	8,200.00
Funded status [(deficit)]	(11,152.00)	(8,200.00)
Of which, short term liability	2,522.00	960.00
Experience adjustment on plan liabilities:(gain)/loss	489.00	(643.00)

Actuarial assumptions:

	March 31, 2021	March 31, 2020
Salary growth rate (% p.a.)	7% p.a	7% p.a
Discount rate (% p.a.)	5% p.a	5.5% p.a
Withdrawal rate (% p.a.)	25% p.a	-
<i>Senior</i>	25% p.a.	13% p.a
<i>Middle</i>	-	30% p.a
<i>Junior</i>	-	50% p.a
Mortality	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Interest rate on Net DBO/ (Asset) (% p.a.)	5.5% p.a	6.7% p.a
Expected weighted average remaining working life (years)	3 Years	5 Years



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in thousands)

38 Disclosure pursuant to Ind AS 19 - Employee benefits (Continued)

Movement in other comprehensive income

	March 31, 2021	March 31, 2010
Balance at start of year (loss)/ gain	(553.00)	(570.00)
<i>Re-measurements on DBO</i>		
a. Actuarial loss/(gain) from changes in demographic assumptions	452.00	(5.00)
b. Actuarial loss/(gain) from changed in financials assumptions	(383.00)	(621.00)
c. Actuarial loss/(gain) from experience over last past year	(489.00)	643.00
<i>Re-measurements on plan assets</i>		
Return on plan assets excluding amount including in net interest on the net defined benefit liability / (asset)	-	-
Balance at end of year (loss)/ gain	(973.00)	(553.00)

Sensitivity Analysis

DOB increases / (decreases) by	March 31, 2021	March 31, 2020
1 % Increase in salary growth rate	(389.00)	452.0
1 % Decrease in salary growth rate	(367.00)	(412.00)
1 % Increase in discount rate	(370.00)	(414.00)
1 % Decrease in discount rate	400.00	463.00
1 % Increase in withdrawal rate	(28.00)	(33.00)
1 % Decrease in withdrawal rate	31.00	37.00
Mortality (increase in expected lifetime by 1 year)	1	1
Mortality (increase in expected lifetime by 3 year)	2	2



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in thousands)

38 Disclosure pursuant to Ind AS 19 - Employee benefits (Continued)

Movement in surplus / (deficit)

	March 31, 2021	March 31, 2020
Deficit at start of the year	(8,200.00)	(8,144.00)
Net (acquisition) / divestiture	-	-
Net transfer (in)/ out	(116.00)	1,850.00
Movement during the year	-	-
Current service cost	(1,276.00)	(1,457.00)
Past service cost	(974.00)	(44.00)
Net interest on net DBO	(457.00)	(422.00)
Changes in foreign exchange rate	-	-
Re-measurements	(420.00)	17.00
Contributions / benefits	291.00	-
Deficit at end of the year	(11,152.00)	(8,200.00)



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

39 Contingent liabilities, commitments and lease arrangements

a. Contingent liabilities

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

b. Capital commitments

Particulars	March 31, 2021	March 31, 2020
Towards Property, plant and equipment	928.35	222.92
Towards Investment in Alternative Investment Funds as Sponsor	-	12,500.00

c. Operating lease commitments

The Company has entered into commercial leases for premises and equipment.

i) Reconciliation of Lease commitment with opening lease liability

Measurement of lease liability	March 31, 2020
Opening lease commitment disclosed as at 31 March 2019	-
Change in lease term under Ind AS 116	19,216.24
Total	19,216.24

ii) Other disclosures

Particulars	% / Years / Amount	% / Years / Amount
	March 31, 2021	March 31, 2020
Incremental borrowing rate of company (in %)	11.50%	11.50%
The leases have an average life of between (in years)	0.19	6
The total lease payment for the year (in amount)	21,003.90	23,841.93
Lease rent expenses recognised in P&L for short term leases (in amount)	11,336.87	9,753.46



Edelweiss Global Wealth Management Limited

for the year ended March 31, 2021

(Currency: Indian rupees in thousands)

40 Disclosure as required by Ind AS 24 - "Related Party Disclosure":

a. Name of related party by whom control is exercised:

PAGAC Esctasy Pte Limited - Holding company (w.e.f. March 27, 2021)
Edelweiss Financial Services Limited - Holding company (Upto March 26, 2021)

b. Names of related parties who exercise significant influence over the Company

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

c. Subsidiaries of the company with whom transactions have taken place during the year: (w.e.f. March 27, 2021)

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

d. Fellow subsidiaries with whom transactions have taken place during the year. (Upto March 26, 2021)

Allium Finance Private Limited
Ecap Equities Limited
ECL Finance Limited
Edelgive Foundation
Edelweiss Alternative Asset Advisors Limited
Edelweiss Asset Management Limited
Edelweiss Asset Reconstruction Company Limited
Edelweiss Broking Limited
Edelweiss Custodial Services Limited
Edelweiss Finance and Investments Limited
Edelweiss Finvest Limited (Formerly known Edelweiss Finvest Private Limited) (Merged with Edel Finance Company Limited w.e.f. April 9, 2021)
Edelweiss Gallagher Insurance Brokers Limited (Formerly known as Edelweiss Insurance Brokers Limited)
Edelweiss General Insurance Company Limited
Edelweiss Investment Adviser Limited
Edelweiss Rural & Corporate Services Limited
Edelweiss Securities and Investments Private Limited (Formerly known as Magnolia Commodities Services Private Limited)
Edelweiss Securities Limited
ESL Securities Limited
Lichen Metals Private Limited



Edelweiss Global Wealth Management Limited

for the year ended March 31, 2021

(Currency: Indian rupees in thousands)

40 Disclosure as required by Ind AS 24 - "Related Party Disclosure": (Continued)

e. Subsidiaries / Associate / JV of Entity exercising significant influence with whom the Company has transactions (w.e.f. March 27, 2021)

Allium Finance Private Limited
Ecap Equities Limited
ECL Finance Limited
Edelgive Foundation
Edelweiss Alternative Asset Advisors Limited
Edelweiss Asset Management Limited
Edelweiss Asset Reconstruction Company Limited
Edelweiss Finvest Limited (Formerly known Edelweiss Finvest Private Limited) (Merged with Edel Finance Company Limited w.e.f. April 9, 2021)
Edelweiss Gallagher Insurance Brokers Limited (Formerly known as Edelweiss Insurance Brokers Limited)
Edelweiss General Insurance Company Limited
Edelweiss Investment Adviser Limited
Edelweiss Rural & Corporate Services Limited
Edelweiss Securities and Investments Private Limited (Formerly known as Magnolia Commodities Services Private Limited)
Lichen Metals Private Limited

f. Key Management Personnel

Alok Saigal - Managing Director and Chief Executive Officer (w.e.f. September 1, 2020 till March 19, 2021)
Alok Saigal - Chief Executive Officer (w.e.f. March 20, 2021)
Anshu Kapoor - Chief Executive Officer (Till August 31, 2020)
Venkatchalam Ramaswamy - Non Executive Director (w.e.f. March 19, 2021)
Nikhilkumar Srivastava - Non Executive Director (w.e.f. March 19, 2021)
Aswin Vikram - Non Executive Director (w.e.f. March 19, 2021)
Ajeet Lodha - Non Executive Director (Till March 19, 2021)
Janmejay Upadhyay - Non Executive Director (Till March 19, 2021)
Puja D'Souza - Non Executive Director (Till March 19, 2021)
Tarun Khurana - Non Executive Director (w.e.f. October 31, 2020 till November 18, 2020)

Note:

During the year, the Company acquired a controlling stake in Edelweiss Securities Limited ('ESL') from Edelweiss Financial Services Limited ('EFSL'), its holding company, and Ecap Equities Limited, a fellow subsidiary, in accordance with the transaction consummated with PAGAC Ecstasy Pte. Ltd ('PAG'). The Company issued Compulsorily Convertible Debentures ('CCDs') worth ₹ 21,919,000 thousands to PAG whereby PAG has acquired interest only in relation to the Wealth Management business whereas the Company retains complete control over the Asset Management business. The Company further acquired additional equity stake in ESL by way of primary infusion. Consequent to above, the Company holds 50.55% stake in ESL as at March 31, 2021.

Subsequent to the year end, in April 2021, the Board of Directors of the Company, ESL and Edelweiss Securities and Investments Private Limited ('ESIPL'), have applied for a Composite Scheme of Arrangement under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ('Scheme') to the National Company Law Tribunal Bench at Mumbai ('Tribunal') for an envisaged demerger of the Wealth Management business (Demerged Undertaking 2, as defined in the Scheme) of the Company into ESL, with Appointed Date for the demerger, as provided in the Scheme.



Edelweiss Global Wealth Management Limited

for the year ended March 31, 2021

(Currency: Indian rupees in thousands)

40. Disclosure as required by Ind AS 24 - "Related Party Disclosure": (Continued)

Transactions with related parties:

Nature of Transaction	Related party name	Holding Company	Entity who exercise significant influence over the Company	March 31, 2021		KMPs	Holding Company	March 31, 2020
				Fellow Subsidiaries	Subsidiaries			
Capital account transactions								
Issue of Compulsorily Convertible Debentures (CCDs)	Edelweiss Financial Services Limited	125,000.00	-	-	-	-	-	-
	PAGAC Ecstasy Pte. Limited	21,919,000.00	-	-	-	-	-	-
Issue of Equity shares to	Edelweiss Financial Services Limited	-	-	-	-	-	70,000.00	-
Purchase of equity shares of Edelweiss Securities Limited from	Edelweiss Financial Services Limited	15,495,944.09	-	-	-	-	-	-
	Ecap Equities Limited	-	-	3,346; 75.68	-	-	-	-
Investment in Equity shares of	Edelweiss Securities Limited	-	-	-	2,733,999.15	-	-	-
Advance paid for merchant banking business	Edelweiss Financial Services Limited	467,479.35	-	-	-	-	-	-
AIF funds units sold to	Ecap Equities Limited	-	-	391; 306.06	-	-	-	-
AIF funds units purchased from	Ecap Equities Limited	-	-	391; 308.82	-	-	-	-
Current account transactions								
Short term loans taken from (Max. Debit & Max. Credit)	Allium Finance Private Limited	-	-	817; 517.69	-	-	-	750,000.00
	Edelweiss Securities and Investments Private Limited	-	-	462; 711.40	-	-	-	406,000.00
	Lichen Metals Private Limited	-	-	223; 638.65	-	-	-	200,000.00
	Edelweiss Rural & Corporate Services Limited	-	-	223; 638.65	-	22,000.00	-	49,449.48
	Edelweiss Financial Services Limited	125,000.00	-	-	-	-	-	-
Short term loans repaid to (Max. Debit & Max. Credit)	Edelweiss Rural & Corporate Services Limited	-	-	118; 850.84	-	-	-	1,356,000.00
	Edelweiss Securities and Investments Private Limited	-	-	462; 711.40	-	-	-	100,000.00
	Allium Finance Private Limited	-	-	817; 517.69	-	-	-	12,600.00
	Lichen Metals Private Limited	-	-	445; 256.96	-	-	-	-
	Edelweiss Financial Services Limited	226,000.00	-	-	-	-	-	-
Short term loans taken from (Total Transactions)	Allium Finance Private Limited	-	-	859; 917.69	-	-	-	832,548.98
	Edelweiss Securities and Investments Private Limited	-	-	861; 016.87	-	-	-	837,192.67
	Lichen Metals Private Limited	-	-	445; 256.96	-	-	-	219,658.30
	Edelweiss Rural & Corporate Services Limited	-	-	490; 615.28	-	22,000.00	-	471,464.18
	Edelweiss Financial Services Limited	383,100.00	-	-	-	-	-	-
Short term loans repaid to (Total Transactions)	Edelweiss Rural & Corporate Services Limited	-	-	349; 511.69	-	7,500.00	-	1,947,865.59
	Edelweiss Securities and Investments Private Limited	-	-	1,034; 017.04	-	-	-	377,007.28
	Allium Finance Private Limited	-	-	908; 010.63	-	-	-	15,031.29
	Lichen Metals Private Limited	-	-	664; 915.26	-	-	-	-
	Edelweiss Financial Services Limited	231,600.00	-	-	-	-	-	-
Inter Corporate Deposit (ICD) taken from	Edelweiss Securities Limited	-	-	89; 010.00	-	-	-	-
Inter Corporate Deposit (ICD) repaid to	Edelweiss Securities Limited	-	-	89; 010.00	-	-	-	-
Interest Income on Security deposit	Edelweiss Rural & Corporate Services Limited	-	-	8; 910.68	-	124.31	-	298.36



Edelweiss Global Wealth Management Limited

for the year ended March 31, 2021

(Currency: Indian rupees in thousands)

40. Disclosure as required by Ind AS 24 - "Related Party Disclosure": (Continued)

Transactions with related parties:

Nature of Transaction	Related party name	Holding Company	Entity who exercise significant influence over the Company	March 31, 2021			KMPs	Holding Company	Fellow Subsidiaries
				Fellow Subsidiaries	Subsidiaries	Subsidiaries/ Associate / JV of Entity exercising significant influence with whom the Company has transactions			
Referral fees earned from	Edelweiss Alternative Asset Advisors Limited	-	-	-	-	-	-	-	19,410.00
	Edelweiss Asset Management Limited	-	-	-	-	-	-	-	2,510.62
	ECL Finance Limited	-	-	-	-	-	-	-	12,882.00
Commission/ Advisory fees income	ECL Finance Limited	-	-	15,100.22	-	-	-	-	157,992.86
	Edelweiss Finvest Limited	-	-	44,307.72	-	661.71	-	-	33,947.80
	ECap Equities Limited	-	-	43,333.35	-	773.28	-	-	-
	Edelweiss Asset Management Limited	-	-	-	-	-	-	-	7,674.75
	Edelweiss Broking Limited	-	-	-	-	-	-	-	1,74.46
Sale of Distribution income rights	Edelweiss Broking Limited	-	-	-	-	-	-	-	61,735.23
Research Services Fees Expenses	Edelweiss Securities Limited	-	-	486.26	13.74	-	-	-	-
	Edelweiss Broking Limited	-	-	1,094.09	30.91	-	-	-	-
Software usage fees received from	Edelweiss Broking Limited	-	-	115,074.20	1,350.03	-	-	-	122,459.85
Rental income from	Edelweiss Broking Limited	-	-	9,334.08	20.89	-	-	-	6,703.98
	Edelweiss Asset Management Limited	-	-	418.15	-	-	-	-	2,393.66
	Edelweiss Securities Limited	-	-	338.76	-	-	-	-	343.13
	Edelweiss Financial Services Limited	77.72	-	-	-	-	-	127.55	-
	Edelweiss Gallagher Insurance Brokers Limited	-	-	278.04	-	-	-	-	127.55
	Edelweiss Asset Reconstruction Company Limited	-	-	13.43	-	-	-	-	110.51
	Edelweiss Finance and Investments Limited	-	-	1,237.22	24.37	-	-	-	-
Interest on Inter-corporate deposits	Edelweiss Securities Limited	-	-	1,834.99	-	-	-	-	-
Interest expenses on loans from	Edelweiss Rural & Corporate Services Limited	-	-	11,010.86	-	420.47	-	-	143,907.99
	Allium Finance Private Limited	-	-	88,512.99	-	1,090.91	-	-	21,277.14
	Edelweiss Securities and Investments Private Limited	-	-	34,418.43	-	407.16	-	-	10,702.99
	Lichen Metals Private Limited	-	-	22,412.82	-	-	-	-	5,461.77
	Edelweiss Financial Services Limited	2,387.06	223.14	-	-	-	-	-	-
Rent Paid to	Edelweiss Rural & Corporate Services Limited	-	-	7,910.31	-	107.61	-	-	7,447.52
	ECL Finance Limited	-	-	3.85	-	-	-	-	1,178.77
	ECap Equities Limited	-	-	1,267.74	-	30.69	-	-	309.82
	Edelweiss Gallagher Insurance Brokers Limited	-	-	278.04	-	-	-	-	-
	Edelweiss Securities Limited	-	-	1,606	1.66	-	-	-	278.22
	Edelweiss Asset Management Limited	-	-	1,147	-	-	-	-	103.31
	Edelweiss Broking Limited	-	-	0.85	-	-	-	-	65.92
	Edelweiss Custodial Services Limited	-	-	5.13	-	-	-	-	18.15
Donation paid to	Edelgive Foundation	-	-	361.00	-	-	-	-	-
Group mediclaim insurance paid to	Edelweiss General Insurance Company Limited	-	-	12.43	-	768.29	-	-	-
Interest expenses on Compulsorily Convertible Debentures (CCDs)	PAGAC Escay Pte. Limited	8.47	-	-	-	-	-	-	-



Edelweiss Global Wealth Management Limited

for the year ended March 31, 2021

(Currency: Indian rupees in thousands)

40. Disclosure as required by Ind AS 24 - "Related Party Disclosure": (Continued)

Transactions with related parties:

Nature of Transaction	Related party name	March 31, 2021						March 31, 2020	
		Holding Company	Entity who exercise significant influence over the Company	Fellow Subsidiaries	Subsidiaries	Subsidiaries, Associate / JV of Entity exercising significant influence with whom the Company has transactions	KMPs	Holding Company	Fellow Subsidiaries
Reimbursements paid to	Edelweiss Rural & Corporate Services Limited	-	-	60.76	-	-	-	-	81.15
	Edelweiss Financial Services Limited	21,308.89	-	-	-	-	-	-	-
Reimbursements recovered from	Edelweiss Financial Services Limited	-	-	-	-	-	-	2,177.97	-
	ESL Securities Limited	-	-	5,000.00	-	-	-	-	-
	Edelweiss Financial Services Limited	1,197.50	-	-	-	-	-	-	-
Enterprise and corporate cost paid to	Edelweiss Rural & Corporate Services Limited	-	-	3,667.68	-	56.78	-	-	34,280.03
	Edelweiss Financial Services Limited	1,058.39	-	-	-	-	-	14,857.75	-
Cost reimbursements paid to	Edelweiss Financial Services Limited	1,442.72	15.64	-	-	-	-	2,589.65	-
	Edelweiss Rural & Corporate Services Limited	-	-	450.92	-	51.72	-	-	618.14
	Edelweiss Securities Limited	-	-	30.70	1.06	-	-	-	73.67
	ECap Equities Limited	-	-	28.64	-	1.48	-	-	2.81
	ECL Finance Limited	-	-	0.57	-	0.09	-	-	-
	Edelweiss Custodial Services Limited	-	-	106.45	-	-	-	-	-
	Edelweiss General Insurance Company Limited	-	-	-	-	691.19	-	-	-
Cost reimbursements recovered from	Edelweiss Securities Limited	-	-	-	-	-	-	-	22,061.16
	Edelweiss Broking Limited	-	-	13.44	-	-	-	-	15.00
	Edelweiss Asset Management Limited	-	-	112.73	-	-	-	-	5.00
Security Deposit paid to	Edelweiss Rural & Corporate Services Limited	-	-	-	-	-	-	-	75,000.00
Purchase of Property, Plant and Equipment from	Edelweiss Broking Limited	-	-	7.06	-	-	-	-	58.33
	ECL Finance Limited	-	-	-	-	12.35	-	-	18.54
	Edelweiss Alternative Asset Advisors Limited	-	-	-	-	17.18	-	-	-
	Edelweiss Securities Limited	-	-	109.33	-	-	-	-	-
	Edelweiss Custodial Services Limited	-	-	3.00	-	-	-	-	-
	Edelweiss Asset Management Limited	-	-	-	-	88.71	-	-	-
	Edelweiss Rural & Corporate Services Limited	-	-	-	-	23.90	-	-	-
	Edelweiss Investment Adviser Limited	-	-	-	-	3.88	-	-	-
	Edelweiss Finance and Investments Limited	-	-	10.65	-	-	-	-	-
Sale of Property, Plant and Equipment to	Edelweiss Broking Limited	-	-	4,10.96	-	-	-	-	436.98
	Edelweiss Rural & Corporate Services Limited	-	-	8.94	-	-	-	-	10.79
	Edelweiss Gallagher Insurance Brokers Limited	-	-	-	-	-	-	-	7.40
	ECL Finance Limited	-	-	-	-	-	-	-	6.90
	Edelweiss Finance and Investments Limited	-	-	3.43	-	-	-	-	4.80
	Edelweiss Finvest Limited	-	-	-	-	-	-	-	3.85
	Edelweiss General Insurance Company Limited	-	-	-	-	-	-	-	1.27
	Edelweiss Custodial Services Limited	-	-	-	-	-	-	-	0.67
	Edelweiss Asset Reconstruction Company Limited	-	-	-	-	-	-	-	0.44
	Edelweiss Securities Limited	-	-	2,17.76	-	-	-	-	0.05
	ECap Equities Limited	-	-	0.30	-	-	-	-	-
	ESL Securities Limited	-	-	18.32	-	-	-	-	-
	Edelweiss Alternative Asset Advisors Limited	-	-	4.66	-	-	-	-	-
	Edelweiss Securities And Investments Private Limited	-	-	111.84	-	-	-	-	-
	Edelweiss Financial Services Limited	1.09	-	-	-	-	-	-	-



Edelweiss Global Wealth Management Limited

for the year ended March 31, 2021

(Currency: Indian rupees in thousands)

40. Disclosure as required by Ind AS 24 - "Related Party Disclosure": (Continued)

Transactions with related parties:

Nature of Transaction	Related party name	March 31, 2021						March 31, 2020	
		Holding Company	Entity who exercise significant influence over the Company	Fellow Subsidiaries	Subsidiaries	Subsidiaries/ Associate / JV of Entity exercising significant influence with whom the Company has transactions	KMPs	Holding Company	Fellow Subsidiaries
Sale of Securities to	Edelweiss Broking Limited	-	-	-	-	-	-	-	52,569.59
Remuneration paid to	Anshu Kapoor	-	-	-	-	-	3,676.52	-	-
	Alok Saigal	-	-	-	-	-	14,980.62	-	-
Balances with related parties									
Equity share capital held by	Edelweiss Financial Services Limited	-	230,000.00	-	-	-	-	230,000.00	-
Compulsorily Convertible Debentures (CCDs)	PAGAC Ecstasy Pte. Limited	22,044,000.00	-	-	-	-	-	-	-
Short term loans taken from	Allium Finance Private Limited	-	-	-	-	769,434.74	-	-	817,517.69
	Edelweiss Rural & Corporate Services Limited	-	-	-	-	274,454.43	-	-	118,860.84
	Edelweiss Securities And Investments Private Limited	-	-	-	-	287,175.22	-	-	460,185.40
	Lichen Metals Private Limited	-	-	-	-	-	-	-	219,658.30
	Edelweiss Financial Services Limited	-	151,500.00	-	-	-	-	-	-
Trade payables to	Edelweiss Rural & Corporate Services Limited	-	-	-	-	893.50	-	-	1,854.67
	Edelweiss Financial Services Limited	-	54.14	-	-	-	-	1,571.05	-
	Edelweiss Alternative Asset Advisors Limited	-	-	-	-	-	-	-	1,369.47
	Edelweiss Asset Management Limited	-	-	-	-	-	-	-	27.74
	ECap Equities Limited	-	-	-	-	213.21	-	-	10.64
	Edelweiss Custodial Services Limited	-	-	-	3.54	-	-	-	2.50
	ECL Finance Limited	-	-	-	-	7.19	-	-	-
	Edelweiss Broking Limited	-	-	-	1,275.82	-	-	-	-
	Edelweiss General Insurance Company Limited	-	-	-	-	693.74	-	-	-
	Edelweiss Securities Limited	-	-	-	661.86	-	-	-	-
	Edelweiss Finance and Investments Limited	-	-	-	36.16	-	-	-	-
	Edelweiss Alternative Asset Advisors Limited	-	-	-	-	0.38	-	-	-
Interest payable on Compulsorily Convertible Debenture (CCDs)	PAGAC Ecstasy Pte. Limited	8.47	-	-	-	-	-	-	-
Other payable to	Edelweiss Financial Services Limited	-	12,537.12	-	-	-	-	31,596.46	-
	Edelweiss Securities Limited	-	-	-	-	-	-	-	2,028.28
	Edelweiss Asset Management Limited	-	-	-	-	304.00	-	-	81.00
	ECL Finance Limited	-	-	-	-	-	-	-	82.00
	ESL Securities Limited	-	-	-	1,587.00	-	-	-	-
	Edelweiss Rural & Corporate Services Limited	-	-	-	-	5.20	-	-	-
Accrued interest on loans taken from	Allium Finance Private Limited	-	-	-	-	6,256.38	-	-	7,569.93
	Edelweiss Securities and Investments Private Limited	-	-	-	-	2,481.85	-	-	3,891.97
	Lichen Metals Private Limited	-	-	-	-	-	-	-	1,949.03
	Edelweiss Rural & Corporate Services Limited	-	-	-	-	2,424.03	-	-	1,753.11
	Edelweiss Financial Services Limited	-	1,257.09	-	-	-	-	-	-



Edelweiss Global Wealth Management Limited

for the year ended March 31, 2021

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40. Disclosure as required by Ind AS 24 - "Related Party Disclosure": (Continued)

Transactions with related parties:

Nature of Transaction	Related party name	March 31, 2021						March 31, 2020	
		Holding Company	Entity who exercise significant influence over the Company	Fellow Subsidiaries	Subsidiaries	Subsidiaries/ Associate / JV of Entity exercising significant influence with whom the Company has transactions	KMPs	Holding Company	Fellow Subsidiaries
Balances with related parties									
Investments in Shares of	Edelweiss Securities Limited	-	-	-	21,576,518.91	-	-	-	-
Trade receivables from	Edelweiss Broking Limited	-	-	-	26,843.72	-	-	-	120,498.00
	ECL Finance Limited	-	-	-	-	-	-	-	40,113.53
	Edelweiss Securities Limited	-	-	-	32.40	-	-	-	8,178.62
	Edelweiss Finvest Limited	-	-	-	-	4,533.27	-	-	8,118.67
	Edelweiss Asset Reconstruction Company Limited	-	-	-	-	-	-	-	22.09
	Edelweiss General Insurance Company Limited	-	-	-	-	-	-	-	1.50
	Edelweiss Alternative Asset Advisors Limited	-	-	-	-	5.90	-	-	-
	Edelweiss Finance and Investments Limited	-	-	-	180.62	-	-	-	-
	ECap Equities Limited	-	-	-	-	5,296.25	-	-	-
	Edelweiss Rural & Corporate Services Limited	-	-	-	-	886.37	-	-	-
	ESL Securities Limited	-	-	-	329.35	-	-	-	-
Security Deposit	Edelweiss Rural & Corporate Services Limited	-	-	-	-	75,000.00	-	-	75,268.52
Advance given to	Edelweiss Financial Services Limited	-	467,429.35	-	-	-	-	-	-
Other receivables from	Edelweiss Broking Limited	-	-	-	-	-	-	-	1,031.07
	Edelweiss Rural & Corporate Services Limited	-	-	-	-	19.00	-	-	212.00
	Edelweiss Alternative Asset Advisors Limited	-	-	-	-	-	-	-	4.00
	Edelweiss Asset Management Limited	-	-	-	-	8.00	-	-	-
	ECL Finance Limited	-	-	-	-	74.00	-	-	-

Notes :-

1. Intercompany loans taken are generally in the nature of revolving demand loans. Such loans are voluminous in nature and are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24- Related Party Disclosures, inter company loans taken/ repaid are disclosed above as maximum of debit and credit of transactions and total debit and credit of transactions, as in the view of the Management it provides meaningful reflection of such transaction in the financial statements. Interest expenses on such loans are disclosed on the basis of full amounts of such loans taken/ repaid.

2. Disclosure under section 186(4) of the Companies Act, 2013 for loans taken : Loans have been taken for general business purpose.

3. Information relating to remuneration paid to Key Managerial Person mentioned above excludes provision made for gratuity, compensated absence and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

41 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company maintains healthy capital ratios in order to support its business and to maximise shareholder value.

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

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



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

42 Fair Values of Financial Instruments

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

Particulars	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Investments in Units of Alternative Investment funds (refer note a below)	-	-	393,066.27	393,066.27
Other financial assets (refer note b below)	-	70,775.75	-	70,775.75

Particulars	March 31, 2020			
	Level 1	Level 2	Level 3	Total
Investments in Units of Alternative Investment funds (refer note a below)	-	-	389,368.26	389,368.26
Other financial assets (refer note b below)	-	78,615.57	-	78,615.57

a. Units held in Alternative Investment Funds are measured based on fund net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments of Alternative Investment Funds are classified at Level 3.

b. The Company has measured the fair value of other financial assets by using comparable market price of similar units within the same real estate property.

Financial instruments not measured at fair value:

With respect to financial instruments not measured at fair value, their carrying amounts approximates fair value.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

42 Fair Values of Financial Instruments (Continued)

Movement in level 3 financial instruments measured at fair value

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

Particulars	Investments in units of Alternative Investment Funds
As at April 1, 2020	389,368.26
Purchase	404,826.62
Redemption	(502,957.96)
Profit for the year ended March 31, 2021 recognised in statement of	101,829.35
As at March 31, 2021	393,066.27
Unrealised gains related to balances held at the end of the year	739.65
As at April 1, 2019	384,867.72
Purchase	35,000.00
Redemption	(166.37)
Loss for the year ended March 31, 2020 recognised in statement of	(30,333.09)
As at March 31, 2020	389,368.26
Unrealised gains related to balances held at the end of the year	(30,333.09)



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

42 Fair Values of Financial Instruments (Continued)

Unobservable inputs used in measuring fair value categorised within Level 3

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

Type of Financial Instruments	Fair value of asset as on March 31, 2021	Fair value of liability as on March 31, 2021	Valuation Techniques	Significant Unobservable input	Estimates for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value in statement of profit and loss	Decrease in the unobservable input (% or as the case may be)	Change in fair value in statement of profit and loss
Investments in units of AIF	393,066.27	-	Net Asset Value	Fair value of underlying Net Assets of the Funds	INR 166,470.27 per unit	5%	19,653.31	5%	(19,653.31)

Type of Financial Instruments	Fair value of asset as on March 31, 2020	Fair value of liability as on March 31, 2020	Valuation Techniques	Significant Unobservable input	Range of estimates for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value in statement of profit and loss	Decrease in the unobservable input (% or as the case may be)	Change in fair value in statement of profit and loss
Investments in units of AIF	389,368.26	-	Net Asset Value	Fair value of underlying Net Assets of the Funds	1,719,192.41 - 2,035,980.70	5%	19,468.41	5%	(19,468.41)



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in thousands)

43 Risk Management

The Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing Identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market price 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 Company works closely with and reports to the Risk Committee, to ensure that procedures are compliant with the overall framework.

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. 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 cash, group loan support 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.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

43 Risk Management (Continued)

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 the year end:

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	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Trade payables	19,876.23	-	-	-	-	19,876.23
Borrowings	1,494,983.72	-	-	-	-	1,494,983.72
Other financial liabilities	48,500.64	-	198.14	-	-	48,698.78
Total undiscounted non-derivative financial liabilities	1,563,360.59	-	198.14	-	-	1,563,558.73

As at March 31, 2020	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Trade payables	33,820.68	-	-	-	-	33,820.68
Borrowings	1,631,386.27	-	-	-	-	1,631,386.27
Other financial liabilities	37,268.61	2,950.46	4,513.51	8,368.68	22,789.13	75,890.39
Total undiscounted non-derivative financial liabilities	1,702,475.56	2,950.46	4,513.51	8,368.68	22,789.13	1,741,097.34



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

43 Risk Management (Continued)

Analysis of non-derivative financial assets by remaining contractual maturities (Continued)

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

As at March 31, 2021	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Cash and cash equivalent	2,742.00	-	-	-	-	2,742.00
Trade receivables - (Net of ECL)	40,062.07	-	-	-	-	40,062.07
Investments at fair value through profit or loss	-	-	-	-	21,969,585.18	21,969,585.18
Other financial assets	2,836.04	80,139.78	70,775.75	860.44	-	154,612.01
Total undiscounted non-derivative financial assets	45,640.11	80,139.78	70,775.75	860.44	21,969,585.18	22,167,001.26

As at March 31, 2020	Less than 3 months	Equal to or more than 3 months but less than 6 months	Equal to or more than 6 months but less than 12 months	Equal to or more than 12 months but less than 3 years	More than 3 years	Total
Cash and cash equivalent	15,321.31	-	-	-	-	15,321.31
Trade receivables - (Net of ECL)	182,398.65	-	-	-	-	182,398.65
Investments at fair value through profit or loss	-	-	-	389,368.26	-	389,368.26
Other financial assets	1,515.59	-	-	162,828.79	-	164,344.38
Total undiscounted non-derivative financial assets	199,235.55	-	-	552,197.05	-	751,432.60



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

43 Risk Management (Continued)

Total market risk exposure

The company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately.

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	2,742.00	-	2,742.00	15,321.31	-	15,321.31
Trade receivables (Net of ECL)	40,062.07	-	40,062.07	182,398.65	-	182,398.65
Other financial assets	154,612.01	-	154,612.01	164,344.38	-	164,344.38
Investments	21,969,585.18	-	21,969,585.18	385,368.26	-	389,368.26
Total	22,167,001.26	-	22,167,001.26	751,431.60	-	751,431.60
Liabilities						
Borrowings	1,494,983.72	-	1,494,983.72	1,631,386.27	-	1,631,386.27
Trade payables	19,876.23	-	19,876.23	33,820.68	-	33,820.68
Other liabilities	48,698.79	-	48,698.79	75,890.39	-	75,890.39
Total	1,563,558.74	-	1,563,558.74	1,741,097.34	-	1,741,097.34



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

43 Risk Management (Continued)

Collateral held and other credit enhancements

The table 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.

March 31, 2021	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Trade receivables (Gross)	48,102.13	Unsecured
Other financial assets	154,612.01	Unsecured
Total financial assets at amortised cost	202,714.14	

March 31, 2020	Maximum exposure to credit risk (carrying amount before ECL)	Principal type of collateral
Financial assets		
Trade receivables (Gross)	190,696.73	Unsecured
Other financial assets	164,344.38	Unsecured
Total financial assets at amortised cost	355,041.11	



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

43 Risk Management (Continued)

Market risk - Other price risk

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

Impact on	March 31, 2021				Effect on Equity
	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax	
Units of Alternative Investment Funds	5	19,653.31	5	(19,653.31)	(13,521.48)
Other financial assets	5	3,538.79	5	(3,538.79)	(2,434.69)

Impact on	March 31, 2020				Effect on Equity
	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax	
Units of Alternative Investment Funds	5	19,468.41	5	(19,468.41)	(13,394.27)
Other financial assets	5	3,930.78	5	(3,930.78)	(2,704.38)



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

44 Disclosure related to collaterals

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

March 31, 2021	Pledge as collateral	Others (refer Note 1 below)	Available as collateral	Others (refer Note 2 below)	Total carrying amount
Cash and cash equivalent	-	-	-	2,742.00	2,742.00
Trade receivables (Net of ECL)	-	-	40,062.07	-	40,062.07
Investments	-	-	21,969,585.18	-	21,969,585.18
Other financial assets	-	-	70,775.75	83,836.26	154,612.01
Property, plant and equipment	-	-	3,253.85	-	3,253.85
Total assets	-	-	22,083,676.85	86,578.26	22,170,255.11

March 31, 2020	Pledge as collateral	Others (refer Note 1 below)	Available as collateral	Others (refer Note 2 below)	Total carrying amount
Cash and cash equivalent	-	-	-	15,321.31	15,321.31
Trade receivables (Net of ECL)	-	-	182,398.65	-	182,398.65
Investments	-	-	389,368.26	-	389,368.26
Other financial assets	-	-	79,862.64	84,481.74	164,344.38
Property, plant and equipment	-	-	5,108.83	-	5,108.83
Total assets	-	-	656,730.30	99,803.05	756,541.43

Note 1 Represents assets which are not pledged and it is restricted from using to secure funding for legal or other reason.

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 normal course of business.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees in thousands)

45 Change in liabilities arising from financing activities

Particulars	As at April 1, 2020	Cashflows During the year	Others During the year *	As at March 31, 2021
Borrowings - Group	1,631,386.27	(133,657.84)	(2,744.71)	1,494,983.72
Total liabilities from financing activities	1,631,386.27	(133,657.84)	(2,744.71)	1,494,983.72

* Includes the effect of accrued but not paid interest on borrowing etc.

Particulars	As at April 1, 2019	Cashflows During the year	Others During the year *	As at March 31, 2020
Borrowings - Group	1,603,367.41	20,959.99	7,058.87	1,631,386.27
Total liabilities from financing activities	1,603,367.41	20,959.99	7,058.87	1,631,386.27

* Includes the effect of accrued but not paid interest on borrowing etc.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in thousands)

46 Expenditure in foreign currency:

The Company has incurred expenditure in foreign currency ₹ 7,338.74 thousands during the year ended March 31, 2021 (Previous year: ₹ 10,751.72 thousands)

47 Cost Sharing

Edelweiss Financial Services Limited, along with other group companies incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its other group companies including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees. On the same lines, certain costs expended by the Company for the benefit of group companies is recovered by the Company. Accordingly, and as identified by management, expenditure heads in note 33 and 34 include reimbursement paid and are net of reimbursement received based on the management's best estimate.

48 Details of dues to micro enterprises and small enterprises

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

49 Other Matter

During the year, the Company acquired a controlling stake in Edelweiss Securities Limited ('ESL') from Edelweiss Financial Services Limited ('EFSL'), its holding company, and Ecap Equities Limited, a fellow subsidiary, in accordance with the transaction consummated with PAGAC Ecstasy Pte. Ltd ('PAG'). The Company issued Compulsorily Convertible Debentures ('CCDs') worth ₹ 21,919,000 thousands to PAG whereby PAG has acquired interest only in relation to the Wealth Management business whereas the Company retains complete control over the Asset Management business. The Company further acquired additional equity stake in ESL by way of primary infusion. Consequent to above, the Company holds 50.55% stake in ESL as at March 31, 2021.

Subsequent to the year end, in April 2021, the Board of Directors of the Company, ESL and Edelweiss Securities and Investments Private Limited ('ESIPL'), have applied for a Composite Scheme of Arrangement under Sections 230 - 232 and other applicable provisions of the Companies Act, 2013 ('Scheme') to the National Company Law Tribunal Bench at Mumbai ('Tribunal') for an envisaged demerger of the Wealth Management business (Demerged Undertaking 2, as defined in the Scheme) of the Company into ESL, with Appointed Date for the demerger, as provided in the Scheme.



Edelweiss Global Wealth Management Limited

Notes to the financial statements (continued)

(Currency: Indian rupees in thousands)

50 Previous year comparative

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

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W

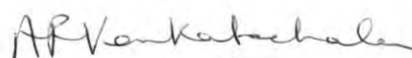


Haridas Bhat

Partner

Membership No: 039070

For and on behalf of the Board of Directors



Venkatchalam Ramaswamy

Non-executive Director

DIN: 0000850



Nikhil Srivastava

Non-executive Director

DIN: 07308617



Alok Saigal

Chief Executive Officer



Shirin Patel

Company Secretary



Mumbai

May 26, 2021



Dinesh Thadani

Chief Financial Officer

Mumbai

May 26, 2021

