

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Edelweiss Investment Adviser Limited**

**Report on the Audit of the Special Purpose Financial Statements**

**Opinion**

We have audited the accompanying Special Purpose Financial Statements of **Edelweiss Investment Adviser 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 Special Purpose Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 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 Special Purpose 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 Special Purpose Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Financial Statements.

**Emphasis of matter**

We draw your attention to Note 51 to the financial statement, which describes the economic and social disruption as a result of COVID-19 pandemic of the Company's business and financial metrics including the Company's estimates of impairment of loans and investment properties which are highly dependent on future developments. Our opinion is not modified in respect of this matter.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the special purpose financial statements and our auditor's report thereon.

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

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### **Responsibility of Management for the Special Purpose Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements**

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

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

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



- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### Other Matter

The Company has prepared a separate set of financial statements for the year ended March 31, 2021 which is prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended, on which we issued a separate auditor's report to the members of the Company dated June 09, 2021. The separate auditor's report can be used by S.R. Batliboi & Co. LLP (the current statutory auditor of EFSL) in conjunction with the audit of consolidated financial statements.

This report is issued at the request of the Company and is intended solely for the information and use of the Edelweiss Financial Services Limited ('Ultimate Holding Company' or 'EFSL'), for the purpose of presentation of its consolidated audited financial statements for the year ended March 31, 2021 and for the use of S.R. Batliboi & Co. LLP (the current statutory auditor of EFSL) in conjunction with the audit of consolidated financial statements and is not intended to be and should not be used for any other purpose.

#### Report on Other Legal and Regulatory Requirements

1. 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 special purpose financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) 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 special purpose financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;
  - (g) In our opinion and according to the information and explanation given to us, no remuneration has been paid by the Company to its directors during the current year;



- (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 has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



R.P. Soni  
Partner  
Membership No.: 104796



UDIN: 21104796AAABQU2991

Place: Mumbai  
Date: June 09, 2021

**Annexure A**

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these special purpose financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 with reference to these special purpose financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these special purpose financial statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these special purpose financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these special purpose financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 With Reference to these Special purpose Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these special purpose financial statements and such internal financial controls over financial reporting with reference to these special purpose financial statements 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 NGS & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 119850W



R.P. Soni  
Partner  
Membership No.: 104796



UDIN: 21104796AAABQU2991

Place: Mumbai  
Date: June 09, 2021

**Edelweiss Investment Adviser Limited**

**Balance Sheet as at March 31, 2021**

(Currency: Indian rupees)

	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	2	22,68,088	55,81,835
(b) Bank balances other than cash and cash equivalents	3	4,63,25,520	-
(c) Securities held for trading	4	1,49,39,83,280	-
(d) Trade receivables	5	1,23,51,641	14,09,432
(e) Loans	6	2,19,13,70,869	5,62,86,81,399
(f) Other financial assets	7	2,08,11,660	8,37,942
		<u>3,76,71,11,058</u>	<u>5,63,65,10,608</u>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	8	3,85,55,904	2,98,07,445
(b) Deferred tax assets (net)	9 & 29	19,56,97,034	41,75,27,011
(c) Investment property	10	1,97,55,88,527	2,67,70,02,567
(d) Property, Plant and Equipment	10	6,99,148	17,87,345
(e) Other Intangible assets	10	1,580	61,670
(f) Other non- financial assets	11	2,55,41,312	1,61,918
		<u>2,23,60,83,505</u>	<u>3,12,63,47,956</u>
<b>TOTAL ASSETS</b>		<u><b>6,00,31,94,563</b></u>	<u><b>8,76,28,58,564</b></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	33.	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	61,87,942	74,66,745
(b) Debt securities	13	2,43,30,62,308	-
(c) Borrowings other than debt securities	14	11,47,68,07,616	11,32,73,89,606
(d) Other financial liabilities	15	24,28,371	61,12,641
		<u>13,91,84,86,237</u>	<u>11,34,09,68,992</u>
<b>Non-financial liabilities</b>			
(a) Current tax liabilities (net)	16	69,01,984	1,48,21,474
(b) Provisions	17	-	11,81,446
(c) Other non-financial liabilities	18	1,09,74,133	5,82,01,795
		<u>1,78,76,117</u>	<u>7,42,04,715</u>
<b>EQUITY</b>			
(a) Equity share capital	19	1,00,55,00,000	1,00,55,00,000
(b) Other equity	20	(8,93,86,67,791)	(3,65,78,15,143)
		<u>(7,93,31,67,791)</u>	<u>(2,65,23,15,143)</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>6,00,31,94,563</b></u>	<u><b>8,76,28,58,564</b></u>

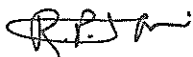
Significant accounting policies and notes forming part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

1 to 52

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W



R.P. Soni

Partner

Membership No: 104796

Mumbai June 9, 2021



For and on behalf of the Board of Directors




Sanjeev Rastogi

Director

DIN: 00254303

Mumbai June 9, 2021

Prashant Mody

Director

DIN: 03101048



**Edelweiss Investment Adviser Limited**

**Statement of Profit and Loss for the year ended March 31, 2021**

(Currency: Indian rupees)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from operations</b>			
Interest income	21	15,22,94,524	83,80,627
Fee and commission income	22	11,98,316	5,87,01,421
Net gain on fair value changes	23	(3,14,19,46,478)	(1,30,59,44,659)
Sale of commodity		15,50,66,293	38,20,88,080
<b>Other income</b>	24	178	14,18,806
<b>Total Revenue</b>		<b>(2,83,33,87,167)</b>	<b>(85,53,55,725)</b>
<b>Expenses</b>			
Finance costs	25	1,67,16,70,070	1,33,36,07,996
Impairment on financial instruments	26	(2,50,26,154)	5,67,70,857
Purchases of commodity		15,50,48,443	38,20,35,317
Employee benefits expense	27	31,66,468	97,52,965
Depreciation, amortisation and impairment	10	34,96,84,428	32,57,72,606
Other expenses	28	7,93,85,167	9,65,78,270
<b>Total expenses</b>		<b>2,23,39,28,422</b>	<b>2,20,45,18,012</b>
<b>Profit / (Loss) before tax</b>		<b>(5,06,73,15,589)</b>	<b>(3,05,98,73,737)</b>
<b>Tax expenses</b>			
Current tax [net of excess / short provision of earlier year(s) of ₹ 82,61,920 (Previous Year : ₹ 24,48,082)]	29	(82,61,920)	(24,48,082)
Deferred tax benefit		22,18,29,979	2,73,88,573
<b>Profit / (Loss) for the year</b>		<b>(5,28,08,83,648)</b>	<b>(3,08,48,14,228)</b>
<b>Other Comprehensive Income</b>			
<b>(a) Items that will not be reclassified to profit or loss</b>			
Remeasurement gain / (loss) on defined benefit plans		31,000	80,000
Deferred tax (charge) - OCI		-	(27,955)
<b>Total</b>		<b>31,000</b>	<b>52,045</b>
<b>Total Comprehensive Income</b>		<b>(5,28,08,52,648)</b>	<b>(3,08,47,62,183)</b>
<b>Earnings Per Share (₹) (Face Value of ₹ 10/- each)</b>			
(1) Basic	32	(52.52)	(2,809.63)
(2) Diluted		(52.52)	(2,809.63)

Significant accounting policies and notes forming part of the financial statements. This is the Statement of Profit and Loss referred to in our report of even date.

1 to 52

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

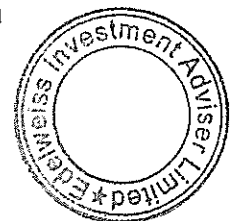
R.P. Soni  
Partner  
Membership No: 104796  
Mumbai June 9, 2021



For and on behalf of the Board of Directors

Sanjeev Rastogi  
Director  
DIN: 00254303  
Mumbai June 9, 2021

Prashant Mody  
Director  
DIN: 03101048





**Edelweiss Investment Adviser Limited**

**Statement of Cash flows for the year ended March 31, 2021**

(Currency: Indian rupees)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	(5,06,73,15,589)	(3,05,98,73,736)
<i>Adjustments for</i>		
Depreciation, amortisation and impairment	34,96,84,428	32,57,72,606
Fair value (gain) / loss on revaluation of real estate	3,23,34,65,800	1,31,39,45,938
Impairment of financial instruments	(2,50,26,154)	5,67,70,858
(Profit)/Loss on sale of property, plant and equipment	62,496	(2,32,828)
(Profit) / loss on sale of investment property	(22,20,000)	1,66,68,430
Fair value gain on debt securities	(5,52,98,362)	-
Interest income on debt securities held for trading	(15,22,92,894)	-
Interest expense on debt securities	34,10,68,884	-
Expense on employee stock option plans	-	3,111
Interest expense on borrowings	1,33,05,95,528	1,33,25,51,875
<b>Operating cash flow before working capital changes</b>	<b>(4,72,75,863)</b>	<b>(1,43,93,746)</b>
<i>Add / (Less): Adjustments for working capital changes</i>		
Decrease / (increase) in trade receivables	1,40,43,945	87,16,268
(Decrease)/increase in trade payables	(12,78,803)	(1,29,80,244)
(Decrease)/increase in loans	20,38,44,730	(1,06,52,21,971)
(Decrease)/increase in other financial assets and non financial assets	(4,53,53,112)	98,78,12,105
Decrease/(increase) in liabilities and provisions	(5,21,02,376)	3,34,78,876
<b>Cash generated / (used) in operations</b>	<b>7,18,78,521</b>	<b>(6,25,88,712)</b>
Income taxes paid (net of refund)	(84,06,030)	7,62,20,293
<b>Net cash generated in operating activities - A</b>	<b>6,34,72,491</b>	<b>1,36,31,581</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(46,786)	-
Sale of property, plant and equipment	1,62,186	6,65,224
(Addition)/disposal of investment property	35,50,00,000	(49,12,95,711)
Purchase of debt securities held in trading	(1,63,39,37,526)	-
Interest received on debt securities held for trading	15,20,87,123	-
Redemption of debt securities held for trading	19,54,58,379	-
<b>Net cash used in investing activities - B</b>	<b>(93,12,76,624)</b>	<b>(49,06,30,487)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issuance of Share capital (including Securities Premium)	-	1,00,00,00,000
Proceeds from/repayment of short term borrowing (Refer note a)	14,96,11,801	99,06,19,857
Interest on borrowings	(1,33,07,89,319)	(1,51,05,00,399)
Interest expense on debt securities	(15,80,06,576)	-
Fund raised through issue of Debt Securities	2,85,00,00,000	-
Escrow balance pertaining to issuance of debt securities	(4,63,25,520)	-
Repayment of debt securities	(60,00,00,000)	-
<b>Net cash generated from financing activities - C</b>	<b>86,44,90,386</b>	<b>48,01,19,458</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(33,13,747)</b>	<b>31,20,552</b>
Cash and cash equivalent as at the beginning of the year	55,81,835	24,61,284
Cash and cash equivalent as at the end of the year (Refer Note 2)	22,68,088	55,81,835

Note:

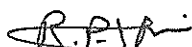
a. Net figures have been reported on account of volume of transactions.

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

For NGS & Co. LLP

Chartered Accountants

Firm's Registration No. 119850W



R.P. Soni

Partner

Membership No: 104796

Mumbai June 9, 2021



For and on behalf of the Board of Directors

Sanjeev Rastogi

Director

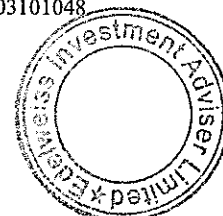
DIN: 00254303

Mumbai June 9, 2021

Prashant Mody

Director

DIN: 03101048



**Edelweiss Investment Adviser Limited**

**Notes to financial statements**

(Currency: Indian rupees)

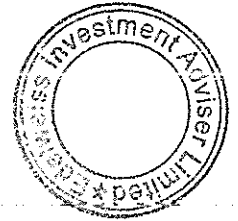
**Cash Flow Disclosure**

**Change in Liabilities arising from financing activities**

Particulars	As at April 01, 2020	Cash Flows	Changes in Fair value	Others*	As at March 31, 2021
Debt Securities	-	2,09,19,93,424	-	34,10,68,884	2,43,30,62,308
Borrowings other than debt securities	11,32,73,89,606	(1,18,11,77,518)	-	1,33,05,95,528	11,47,68,07,616
<b>Total liabilities from financing activities</b>	<b>11,32,73,89,606</b>	<b>91,08,15,906</b>	<b>-</b>	<b>1,67,16,64,412</b>	<b>13,90,98,69,924</b>

Particulars	As at April 01, 2019	Cash Flows	Changes in Fair value	Others*	As at March 31, 2020
Borrowings other than debt securities	10,51,47,18,273	(51,98,80,542)	-	1,33,25,51,875	11,32,73,89,606
<b>Total liabilities from financing activities</b>	<b>10,51,47,18,273</b>	<b>(51,98,80,542)</b>	<b>-</b>	<b>1,33,25,51,875</b>	<b>11,32,73,89,606</b>

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



**Edelweiss Investment Adviser Limited**

**Statement of Changes in Equity for the year ended March 31, 2021**

(Currency: Indian rupees)

**(A) Equity Share Capital**

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	1,00,55,00,000	55,00,000
Changes in equity share capital (Refer note 19)	-	1,00,00,00,000
<b>Balance at the end of the year</b>	<b>1,00,55,00,000</b>	<b>1,00,55,00,000</b>

**(B) Other Equity**

Particulars	Reserves and Surplus		Total
	ESOP reserve	Retained Earnings	
<b>Balance as at 1st April 2019</b>	16,85,298	(57,47,38,258)	(57,30,52,960)
Profit / (Loss) for the year	-	(3,08,48,14,228)	(3,08,48,14,228)
Other Comprehensive Income	-	52,045	52,045
<b>Total comprehensive income</b>	<b>16,85,298</b>	<b>(3,65,95,00,441)</b>	<b>(3,65,78,15,143)</b>
<b>Balance as at March 31, 2020</b>	<b>16,85,298</b>	<b>(3,65,95,00,441)</b>	<b>(3,65,78,15,143)</b>
Profit / (Loss) for the year	-	(5,28,08,83,648)	(5,28,08,83,648)
Other Comprehensive Income	-	31,000	31,000
<b>Total comprehensive income</b>	<b>16,85,298</b>	<b>(8,94,03,53,089)</b>	<b>(8,93,86,67,791)</b>
<b>Balance as at March 31, 2021</b>	<b>16,85,298</b>	<b>(8,94,03,53,089)</b>	<b>(8,93,86,67,791)</b>

**ESOP reserve:**

Certain employees of the Company have been granted options to acquire equity shares of the Ultimate Parent Company (Edelweiss Financial Services Limited). This reserve represents the cost of these options based on their fair value at the grant dates as recognised over the vesting period of such options, to the extent that the Ultimate Parent Company has not recovered such cost from the Company.

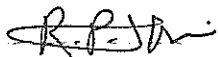
This is the Statement of Changes in Equity referred to in our report of even date.

As per our report of even date attached.

**For NGS & Co. LLP**

*Chartered Accountants*

Firm's Registration No. 119850W



**R.P. Soni**

*Partner*

Membership No: 104796

Mumbai June 9, 2021



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



**Sanjeev Rastogi**

*Director*

DIN: 00254303

Mumbai June 9, 2021

**Prashant Mody**

*Director*

DIN: 03101048



# Edelweiss Investment Adviser Limited

## Notes to the financial statements

For the year ended 31 March 2021

### 1. Significant accounting policies

#### 1.1 Background

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

#### 1.2 COVID-19

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

In preparing the accompanying financial results, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at March 31, 2021. Since the revenue of the Company is ultimately dependent on the value of the assets it manages, changes in market conditions and the trend of flows into alternate funds may have an impact on the operations of the Company. Basis the assessment, the management does not, at this juncture, believe that the impact on the value of the Company's assets or its operations is likely to be material.

#### 1.3 Basis of preparation of financial statements

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

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

#### 1.4 Presentation of financial statements

These financial statements are Special Purpose Indian Accounting Standards (Ind-AS) Financial Statement prepared for the purpose of preparation of consolidated financial statements for the year ended 31 March 2021 for Edelweiss Financial Services Limited Reporting (Ultimate Holding Company) for its reporting of Consolidated audited financial results under Ind-AS Division III of Schedule III of the Companies Act, 2013 ("the Act"). The Company has prepared a separate set of financial statements for the year ended March 31, 2020 which is prepared in accordance with Division II of Schedule III and Ind-AS prescribed under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note. 46.



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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

### 1.5 Significant accounting policies

#### 1.5.1 Recognition of Interest income

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

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

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

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

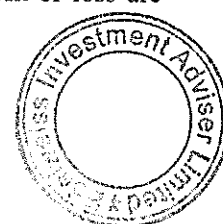
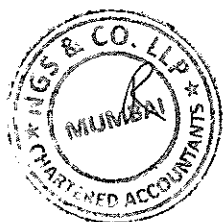
#### 1.5.2 Financial Instruments

##### 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 reach 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 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.



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

### C. Day 1 profit or loss

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

### 1.5.3 Classification of financial instruments

#### Financial Assets

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

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

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

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

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

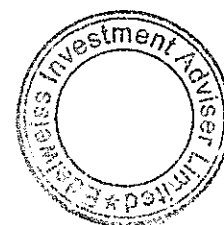
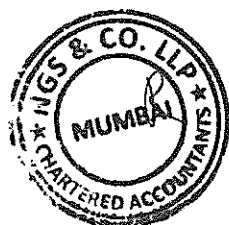
- the financial asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest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

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

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

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

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



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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

### Financial assets held for trading

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

### Financial liabilities

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

### Debt securities and other borrowed funds

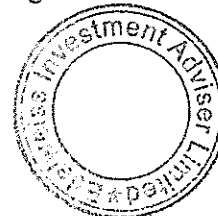
After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR.

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

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

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

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



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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

### Financial liabilities and equity instruments

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

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

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

### Derivatives

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

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

### 1.5.4 Reclassification of financial assets and financial liabilities

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

### 1.5.5 Derecognition of financial assets and financial liabilities

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

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

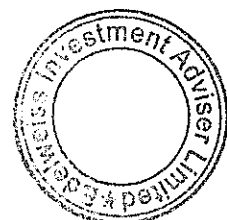
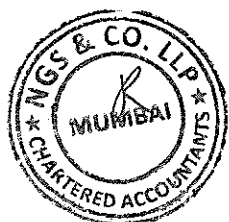
If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already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

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

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

A transfer only qualifies for derecognition if either:

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





# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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

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

### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

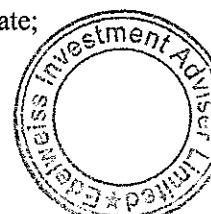
Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.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

### 1.5.6 Impairment of financial assets

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

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

- For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.
- Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.
- The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD) (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default (EAD), for financial assets, this is represented by the assets' gross carrying amount at the reporting date;



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

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

### 1.5.7 Collateral valuation:

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

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

### 1.5.8 Write off

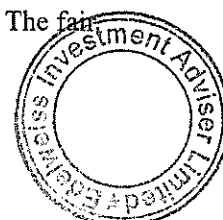
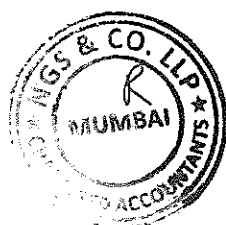
Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

### 1.5.9 Business model assessment

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

### 1.5.10 Determination of fair value

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



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

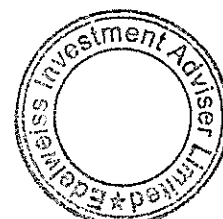
The principal or the most advantageous market must be accessible by the Company.

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

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

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

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



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

### 1.5.11 Revenue from contract with customers

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

The Company recognises revenue from the following sources:

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

### 1.5.12 Earnings per share

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

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

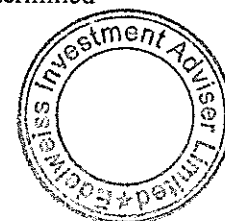
### 1.5.13 Retirement and other employee benefit

#### A. Provident fund

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

#### B. Gratuity

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



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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

### C. Compensated Absences

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

### D. Share-based payment arrangements

Equity-settled share-based payments to employees are granted by the ultimate parent Company. These are measured by reference to the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest.

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

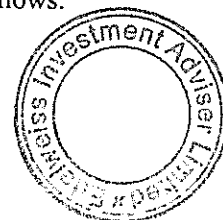
### 1.5.14 Property, plant and equipment

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

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

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

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



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

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

### 1.5.15 Intangible assets

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

### 1.5.16 Investment property

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

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

### 1.5.17 Impairment of non-financial assets

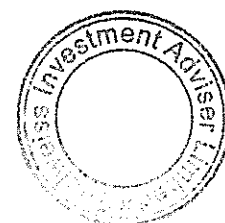
The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount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

### 1.5.18 Cash and cash equivalents

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

### 1.5.19 Provisions and other contingent liabilities

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



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

### 1.5.20 Income tax expenses

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

#### A. Current tax

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

#### 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.

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

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

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

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

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

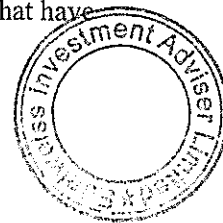
### 1.5.21 Significant accounting judgements, estimates and assumptions

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

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

#### Critical judgements in applying accounting policies

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



# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

### A. Business model assessment

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

### B. Significant increase in credit risk

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

#### Key sources of estimation uncertainty:

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

### C. Fair value of financial instruments

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

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

The Company's EIR methodology, as explained in Note 1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially





# Edelweiss Investment Adviser Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2021

different interest rates at various stages and other characteristics of the product life cycle including prepayments and penalty interest and charges.

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

### E. Impairment of Financial assets

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

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

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

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

### F. Impairment of Non-Financial assets

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

#### 1.5.22 Standards issued but not yet effective

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



## Edelweiss Investment Adviser Limited

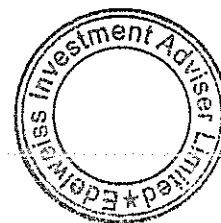
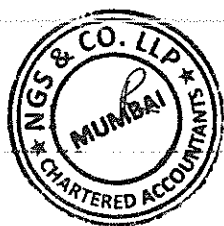
### Notes to financial statements

(Currency: Indian rupees)

	As at March 31, 2021	As at March 31, 2020
<b>2. Cash and cash equivalents</b>		
Cash in hand	-	28,304
Balances with banks		
- in current accounts	22,68,088	55,53,531
	<u>22,68,088</u>	<u>55,81,835</u>
<b>3. Bank balances other than cash and cash equivalents</b>		
Balances with banks		
- in current accounts (Refer Note below)	4,63,25,520	-
	<u>4,63,25,520</u>	<u>-</u>

Note:

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



## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: Indian rupees)

#### 4. Securities held for trading:

*At fair value through profit and loss account*

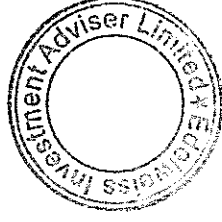
##### Debt Securities

2.00% Edelweiss Asset Reconstruction Company Limited 28.03.2027 NCD

As at March 31, 2021		As at March 31, 2020			
Face Value	Quantity	Amount	Quantity	Face Value	Amount
3,90,568	1,923	1,49,39,83,280	-	-	-
		<b>1,49,39,83,280</b>			

Note:

- The above securities are charged against debt securities.
- Please refer note 43.E Fair value measurement for Valuation methodologies for securities held for trading.



**Edelweiss Investment Adviser Limited**

**Notes to the financial statements**

(Currency: Indian rupees)

	As at March 31, 2021	As at March 31, 2020
<b>5. Trade receivables</b>		
<b>a) Trade receivables</b>		
Receivables considered good - Unsecured	1,23,51,641	14,09,432
Receivables which have significant increase in credit risk	6,03,90,980	8,82,42,595
	<u>7,27,42,621</u>	<u>8,96,52,027</u>
Less : Allowance for expected credit losses	(6,03,90,980)	(8,82,42,595)
	<u>1,23,51,641</u>	<u>14,09,432</u>

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>b) Reconciliation of impairment allowance on trade receivables:</b>		
Impairment allowance measured as per simplified approach		
Impairment allowance - Opening Balance	(8,82,42,595)	(8,97,13,068)
Add/ (less): asset originated or acquired (net)	2,78,51,615	14,70,473
Impairment allowance - Closing Balance	<u>(6,03,90,980)</u>	<u>(8,82,42,595)</u>

**c) Trade receivables days past due**

As at March 31, 2021	0-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates	0.02%	0.00%	100.00%	0.00%	100.00%	
Estimated total gross carrying amount at default	1,23,54,295	-	6,026	-	6,03,82,300	7,27,42,621
ECL - Simplified approach	2,654	-	6,026	-	6,03,82,300	6,03,90,980
<b>Net carrying amount</b>	<u>1,23,51,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,23,51,641</u>

As at March 31, 2020	0-90 days	91-180 days	181-270 days	270- 360 days	> 360 days	Total
ECL Rates	31.33%	93.82%	100.00%	100.00%	100.00%	
Estimated total gross carrying amount at default	15,78,898	52,59,584	4,34,565	5,84,725	8,17,94,255	8,96,52,027
ECL - Simplified approach	4,94,726	49,34,324	4,34,565	5,84,725	8,17,94,255	8,82,42,595
<b>Net carrying amount</b>	<u>10,84,172</u>	<u>3,25,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,09,432</u>



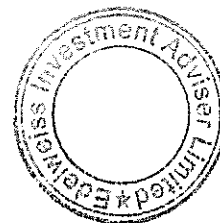
**Edelweiss Investment Adviser Limited****Notes to the financial statements**

(Currency: Indian rupees)

	As at March 31, 2021	As at March 31, 2020
6. Loans		
<i>(at fair value through profit and loss)</i>		
Capital advances	2,08,93,01,379	5,47,92,07,120
<i>(at Amortised cost)</i>		
Capital advances (Refer Note below)	10,20,69,490	14,94,00,000
Loans to employees	-	74,279
<b>Total Gross</b>	<b>2,19,13,70,869</b>	<b>5,62,86,81,399</b>
Less: Impairment loss allowance	-	-
<b>Total (Net)</b>	<b>2,19,13,70,869</b>	<b>5,62,86,81,399</b>
Unsecured	2,19,13,70,869	5,62,86,81,399
<b>Total Gross</b>	<b>2,19,13,70,869</b>	<b>5,62,86,81,399</b>
Less: Impairment loss allowance	-	-
<b>Total (Net)</b>	<b>2,19,13,70,869</b>	<b>5,62,86,81,399</b>
<b>Loans outside India</b>		
Others	-	-
<b>Loans in India</b>		
Public sector	-	-
Others	2,19,13,70,869	5,62,86,81,399
<b>Total Gross</b>	<b>2,19,13,70,869</b>	<b>5,62,86,81,399</b>
Less: Impairment loss allowance	-	-
<b>Total (Net)</b>	<b>2,19,13,70,869</b>	<b>5,62,86,81,399</b>

**Note:**

Loans at amortised cost having carrying value of ₹ 10,20,69,490 is charged against debt securities.



## Edelweiss Investment Adviser Limited

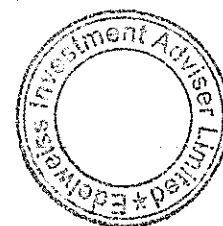
### Notes to the financial statements

(Currency: Indian rupees)

	As at March 31, 2021	As at March 31, 2020
<b>7. Other financial assets</b>		
Accrued interest on margin	-	8,37,942
Margin placed with broker	23,60,000	-
Receivable from Real Estate Developer	1,84,51,660	-
	<b>2,08,11,660</b>	<b>8,37,942</b>
<b>8. Current tax assets (net)</b>		
Advance income taxes	3,85,55,904	2,98,07,445
[net of provision for tax March 31, 2021: ₹ 12,27,91,430 (March 31, 2020: ₹ 9,97,74,667)]		
	<b>3,85,55,904</b>	<b>2,98,07,445</b>
<b>9. Deferred tax assets (net)</b>		
<b>Deferred tax assets</b>		
<b>Loans</b>		
Provision for doubtful debts - ECL provision	1,51,00,800	26,25,366
<b>Property, plant and equipment and intangibles</b>		
Difference between book and tax depreciation (including intangibles)	3,97,284	5,51,602
<b>Investments and other financial instruments</b>		
Unrealised loss on derivatives	-	10,41,352
<b>Employee benefit obligations</b>		
Disallowances under section 43B of the Income Tax Act, 1961	-	4,12,844
<b>Unused tax credit</b>		
MAT credit entitlement	-	13,52,40,692
<b>Unused tax losses</b>		
Accumulated Losses	36,29,65,235	53,26,75,699
	<b>37,84,63,319</b>	<b>67,25,47,555</b>
<b>Deferred tax liabilities</b>		
<b>Investments and other financial instruments</b>		
Unrealised gain on derivatives	-	12,62,395
Fair valuation of investments - gain in valuation	18,27,66,285	25,37,58,149
	<b>18,27,66,285</b>	<b>25,50,20,544</b>
	<b>19,56,97,034</b>	<b>41,75,27,011</b>

**Note:**

Pursuant to the introduction of Section 115BAA of the Income Tax Act, 1961, in FY 2020-21, the company have opted for the reduced tax rate of 25.17% under the said Section. Accordingly the Company have re-measured its deferred tax asset/liabilities (net) and MAT credit resulting in tax charge of ₹ 22,18,29,979.



**Edelweiss Investment Adviser Limited**

Notes to the financial statements

(Currency: Indian rupees)

**10. Property, plant and equipment**

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block As at March 31, 2021	
	As at April 01, 2020	Additions/ (disposals) during the year	Deductions during the year	Other adjustments	As at March 31, 2021	As at April 01, 2020	Charge for the year	Deductions during the year		Other adjustments
Motor Vehicles	-	-	-	-	-	-	-	-	-	-
Office Equipment	9,62,801	-	51,350	-	9,11,451	6,55,298	1,33,075	36,456	-	7,51,917
Computers	64,28,542	46,786	15,80,205	-	48,95,123	49,48,700	7,77,222	13,70,413	-	43,55,509
<b>Total</b>	<b>73,91,343</b>	<b>46,786</b>	<b>16,31,555</b>	<b>-</b>	<b>58,06,574</b>	<b>56,03,998</b>	<b>9,10,297</b>	<b>14,06,869</b>	<b>-</b>	<b>51,07,426</b>

**Other Intangible Assets**

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block As at March 31, 2021	
	As at April 01, 2020	Additions/ (disposals) during the year	Deductions during the year	Other adjustments	As at March 31, 2021	As at April 01, 2020	Charge for the year	Deductions during the year		Other adjustments
Computer software	55,89,994	-	-	-	55,89,994	55,28,324	60,090	-	-	55,88,414
<b>Total</b>	<b>55,89,994</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,89,994</b>	<b>55,28,324</b>	<b>60,090</b>	<b>-</b>	<b>-</b>	<b>55,88,414</b>

**Investment property**

Description of assets	Gross Block				Depreciation / Amortization / Impairment				Net Block As at March 31, 2021	
	As at April 01, 2020	Additions/ (disposals) during the year	Deductions during the year	Other adjustments	As at March 31, 2021	As at April 01, 2020	Charge for the year	Deductions during the year		Other adjustments
Property	3,00,00,30,062	27,21,00,000	62,48,40,000	-	2,64,72,90,062	32,30,27,495	34,87,14,041	40,000	-	67,17,01,536
<b>Total</b>	<b>3,00,00,30,062</b>	<b>27,21,00,000</b>	<b>62,48,40,000</b>	<b>-</b>	<b>2,64,72,90,062</b>	<b>32,30,27,495</b>	<b>34,87,14,041</b>	<b>40,000</b>	<b>-</b>	<b>67,17,01,536</b>

Note:

- Fair value of the investment property is amounting to ₹ 1,97,55,88,526 for March 2021 (Previous year : ₹ 2,67,70,02,567)
- Investment Property having carrying value of ₹ 64,38,36,164 is charged against debt securities.



**Edelweiss Investment Adviser Limited**

Notes to the financial statements (Continued)

(Currency: Indian rupees)

**10. Property, plant and equipment**

Previous Year - 2019-20

Description of assets	Gross Block					Depreciation / Amortization / Impairment				Net Block As at March 31, 2020
	As at April 01, 2019	Additions/ (disposals) during the year	Deductions during the year	Other adjustments	As at March 31, 2020	Charge for the year	Deductions during the year	Other adjustments	As at March 31, 2020	
Motor Vehicles	3,58,092	-	3,58,092	-	-	74,453	2,15,183	-	-	-
Office Equipment	4,50,056	5,40,054	27,309	-	9,62,801	4,96,131	26,861	-	6,55,298	3,07,503
Computers	81,56,422	-	11,48,172	(5,79,708)	64,28,542	21,05,093	8,59,132	-	49,48,700	14,79,842
<b>Total</b>	<b>89,64,570</b>	<b>5,40,054</b>	<b>15,33,573</b>	<b>(5,79,708)</b>	<b>73,91,343</b>	<b>26,75,677</b>	<b>11,01,176</b>	<b>-</b>	<b>56,03,998</b>	<b>17,87,345</b>

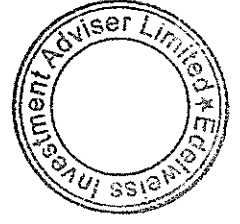
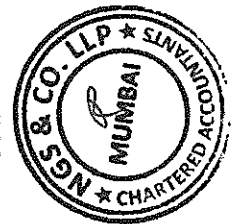
**Intangible assets**

Description of assets	Gross Block					Depreciation / Amortization / Impairment				Net Block As at March 31, 2020
	As at April 01, 2019	Additions/ (disposals) during the year	Deductions during the year	Other adjustments	As at March 31, 2020	Charge for the year	Deductions during the year	Other adjustments	As at March 31, 2020	
Computer software	55,89,994	-	-	-	55,89,994	69,433	-	-	55,28,324	61,670
<b>Total</b>	<b>55,89,994</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,89,994</b>	<b>69,433</b>	<b>-</b>	<b>-</b>	<b>55,28,324</b>	<b>61,670</b>

**Investment property**

Description of assets	Gross Block					Depreciation / Amortization / Impairment				Net Block As at March 31, 2020
	As at April 01, 2019	Additions/ (disposals) during the year	Deductions during the year	Other adjustments	As at March 31, 2020	Charge for the year	Deductions during the year	Other adjustments	As at March 31, 2020	
Property	2,50,87,34,351	49,12,95,711	-	-	3,00,00,30,062	32,30,27,495	-	-	32,30,27,495	2,67,70,02,567
<b>Total</b>	<b>2,50,87,34,351</b>	<b>49,12,95,711</b>	<b>-</b>	<b>-</b>	<b>3,00,00,30,062</b>	<b>32,30,27,495</b>	<b>-</b>	<b>-</b>	<b>32,30,27,495</b>	<b>2,67,70,02,567</b>

Note: Fair value of the investment property is amounting to ₹ 2,67,70,02,567 for March 2020 (Previous year : ₹ 2,99,60,00,000)





**Edelweiss Investment Adviser Limited**

**Notes to the financial statements**

(Currency: Indian rupees)

	As at March 31, 2021	As at March 31, 2020
<b>11. Other non-financial assets</b>		
Input tax credit	2,30,13,483	-
Prepaid expenses	12,044	54,372
Vendor Advances	24,20,785	12,546
Other deposits	95,000	95,000
	<b>2,55,41,312</b>	<b>1,61,918</b>
<b>12. Trade Payables</b>		
Payable to :		
- Trade payables from non-related parties (includes sundry creditors, provision for expenses, customer payables and net payable for settlement to clearing house)	51,62,137	26,75,071
- Trade payables from related parties (refer Note 31 Related Party Disclosure)	10,25,805	47,91,674
	<b>61,87,942</b>	<b>74,66,745</b>
<b>13. Debt securities</b>		
<i>at Amortised Cost</i>		
<b>Redeemable Non-convertible Debentures (Secured)</b>		
Privately placed	2,43,30,62,308	-
Total	<b>2,43,30,62,308</b>	-
Debt Securities in India	2,43,30,62,308	-
Debt Securities outside India	-	-
Total	<b>2,43,30,62,308</b>	-

**Secured debt and assets pledged as security**

- a. Pledge of securities held for trading in 2.00% Edelweiss Asset Reconstruction Company Limited 28.03.2027 NCD
- b. The charge on the Kohinoor property owned by third party mortgagor and guarantor.
- c. Charge on loans, investment property and bank balance other than cash and cash equivalent.

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

As at March 31, 2021

**Redeemable Non-convertible Debentures (Secured)**

Month	ROI - 22.65%	Grand Total
June 2021	10,00,00,000	10,00,00,000
September 2021	10,00,00,000	10,00,00,000
December 2021	10,00,00,000	10,00,00,000
February 2022	1,95,00,00,000	1,95,00,00,000
Total		<b>2,25,00,00,000</b>
Provision for redemption premium on NCD		18,24,45,683
Interest accrued but not due		6,16,625
Net		<b>2,43,30,62,308</b>

Note:

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

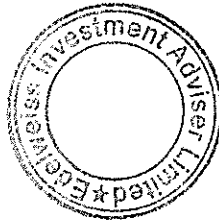
**14. Borrowings other than debt securities**  
*(at Amortised Cost)*

**Unsecured**

Loan from related parties (repayable on demand)	11,47,68,07,616	11,32,73,89,606
---	-----------------	-----------------

[Repayable on demand, interest rate payable in the range of 11.40% - 14.70% for March 31, 2021 (Previous Year: Interest rate payable in the range of 11.60% - 17.40% for March 31, 2020)]

	<b>11,47,68,07,616</b>	<b>11,32,73,89,606</b>
Borrowings in India	<b>11,47,68,07,616</b>	<b>11,32,73,89,606</b>
Borrowings outside India	-	-
Total	<b>11,47,68,07,616</b>	<b>11,32,73,89,606</b>

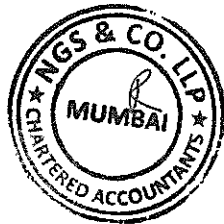


## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: Indian rupees)

	As at March 31, 2021	As at March 31, 2020
<b>15. Other financial liabilities</b>		
Accrued salaries and benefits	1,18,898	1,90,175
Other payables	23,09,473	59,22,466
	<u>24,28,371</u>	<u>61,12,641</u>
<b>16. Current tax liabilities (net)</b>		
Provision for taxation	69,01,984	1,48,21,474
[net of advance tax for March 31, 2021: ₹ Nil (March 31, 2020: ₹ 60,34,959)]		
	<u>69,01,984</u>	<u>1,48,21,474</u>
<b>17. Provisions</b>		
Provision for employee benefits		
- Gratuity	-	9,90,381
- Compensated leave absences	-	1,91,065
	<u>-</u>	<u>11,81,446</u>
<b>18. Other non-financial liabilities</b>		
Withholding taxes, GST and other taxes payable	91,55,135	5,12,94,566
Income received in advance	48,126	68,70,870
Others	17,70,872	36,359
	<u>1,09,74,133</u>	<u>5,82,01,795</u>



**Edelweiss Investment Adviser Limited**

**Notes to the financial statements**

(Currency: Indian rupees)

	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
<b>19. Equity share capital</b>				
<b>Authorised :</b>				
Equity Shares of ₹ 10 each	25,05,50,000	2,50,55,00,000	25,05,50,000	2,50,55,00,000
Preference shares of ₹ 10 each	47,00,000	4,70,00,000	47,00,000	4,70,00,000
	<b>25,52,50,000</b>	<b>2,55,25,00,000</b>	<b>25,52,50,000</b>	<b>2,55,25,00,000</b>
<b>Issued, Subscribed and Paid up:</b>				
Equity Shares of ₹ 10 each	10,05,50,000	1,00,55,00,000	10,05,50,000	1,00,55,00,000
	<b>10,05,50,000</b>	<b>1,00,55,00,000</b>	<b>10,05,50,000</b>	<b>1,00,55,00,000</b>

**A. Movement in share capital**

	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	10,05,50,000	1,00,55,00,000	5,50,000	55,00,000
Shares issued during the year	-	-	10,00,00,000	1,00,00,00,000
Outstanding at the end of the year	<b>10,05,50,000</b>	<b>1,00,55,00,000</b>	<b>10,05,50,000</b>	<b>1,00,55,00,000</b>

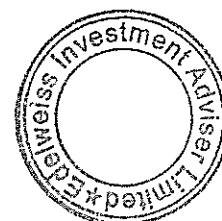
**B. Terms/rights attached to equity shares :**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders.

**C. Details of shares held by shareholders**

	As at March 31, 2021		As at March 31, 2020	
	No of shares	% holding	No of shares	% holding
Edelweiss Financial Services Limited	-	-	5,50,000	0.55%
Edelweiss Rural & Corporate Services Limited	10,05,50,000	100%	10,00,00,000	99.45%
	<b>10,05,50,000</b>	<b>100%</b>	<b>10,05,50,000</b>	<b>100%</b>



## Edelweiss Investment Adviser Limited

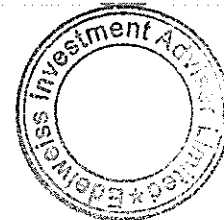
### Notes to the financial statements

(Currency: Indian rupees)

	As at March 31, 2021	As at March 31, 2020
<b>20. Other Equity</b>		
Deemed capital contribution - ESOP	16,85,298	16,85,298
Retained Earnings	(8,94,03,53,089)	(3,65,95,00,441)
	<u>(8,93,86,67,791)</u>	<u>(3,65,78,15,143)</u>

#### Movement in Other Equity

	As at March 31, 2021	As at March 31, 2020
<b>I. Deemed capital contribution - ESOP</b>	16,85,298	16,85,298
<b>II. Retained Earnings</b>		
Opening Balance	(3,65,95,00,441)	(57,47,38,258)
Add: Profit/(Loss) for the year	(5,28,08,83,648)	(3,08,48,14,228)
Add: Other Comprehensive Income	31,000	52,045
	<u>(8,94,03,53,089)</u>	<u>(3,65,95,00,441)</u>
	<u>(8,93,86,67,791)</u>	<u>(3,65,78,15,143)</u>

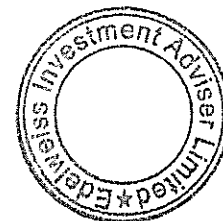


**Edelweiss Investment Adviser Limited**

Notes to the financial statements

(Currency: Indian rupees)

	For the year ended March 31, 2021	for the year ended March 31, 2020
<b>21. Interest Income</b>		
On Financial assets classified at fair value through profit or loss		
Interest income from securities held for trading	15,22,92,894	-
On Financial assets measured at amortised cost		
- On margin with brokers	193	83,80,627
- On others	1,438	-
	<u>15,22,94,524</u>	<u>83,80,627</u>
<b>22. Fee income</b>		
Advisory and other fees	11,98,316	5,87,01,421
	<u>11,98,316</u>	<u>5,87,01,421</u>
Service transferred at a point in time	11,98,316	5,87,01,421
Service transferred over time	-	-
Total revenue from contract with customers	<u>11,98,316</u>	<u>5,87,01,421</u>
<b>23. Net gain / (loss) on fair value changes</b>		
Profit / (loss) on trading of securities (net)	-	1,63,129
Fair value gain / (loss) on securities held for trading	5,52,98,362	-
Profit / (loss) on equity derivative instruments (net)	-	2,45,06,580
Profit/ (loss) on sale of real estate	3,62,20,960	(1,66,68,430)
Fair value gain / (loss) on revaluation of real estate	(3,23,34,65,800)	(1,31,39,45,938)
Total net gain / (loss) on fair value changes	<u>(3,14,19,46,478)</u>	<u>(1,30,59,44,659)</u>
Fair value changes:		
Realised gain	3,62,20,960	80,01,279
Unrealised gain / (loss)	<u>(3,17,81,67,438)</u>	<u>(1,31,39,45,938)</u>
Total net gain / (loss) on fair value changes	<u>(3,14,19,46,478)</u>	<u>(1,30,59,44,659)</u>
<b>24. Other income</b>		
Interest Income - Others	-	8,52,206
Miscellaneous income	178	5,66,600
	<u>178</u>	<u>14,18,806</u>

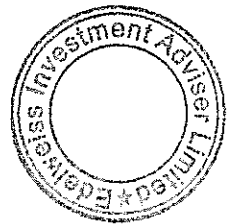


**Edelweiss Investment Adviser Limited**

**Notes to the financial statements**

(Currency: Indian rupees)

	For the year ended March 31, 2021	For the year ended 31 March 2020
<b>25. Finance costs</b>		
- On Financial Liabilities measured at Amortised Cost		
<b>Interest on borrowings</b>		
Interest expense on group company loan	1,33,05,95,528	1,33,25,51,875
<b>Interest on debt securities</b>		
Interest on Non-Convertible Debentures	34,10,68,884	-
<b>Other interest expense</b>		
Financial and bank charges	-	2,500
Interest - others	-	10,53,621
Interest on shortfall in payment of Advance Income Tax	5,658	-
	<b>1,67,16,70,070</b>	<b>1,33,36,07,996</b>
<b>26. Impairment on financial instruments</b>		
Bad- debts written off	28,65,461	18,49,765
Provision for non performing assets	-	5,63,91,566
Reversal of ECL provision on trade receivables	(2,78,91,615)	(14,70,473)
	<b>(2,50,26,154)</b>	<b>5,67,70,857</b>
<b>27. Employee benefit expenses</b>		
Salaries and wages	28,13,827	73,19,508
Contribution to provident and other funds	1,73,220	11,40,012
Expense on Employee Stock Option Scheme (ESOP) (Refer Note 38)	253	3,111
Staff welfare expenses	1,79,168	12,90,334
	<b>31,66,468</b>	<b>97,52,965</b>



## Edelweiss Investment Adviser Limited

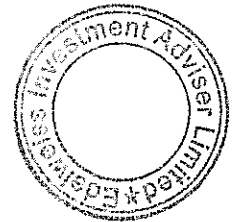
### Notes to the financial statements

(Currency: Indian rupees)

	For the year ended March 31, 2021	For the year ended 31 March 2020
<b>28. Other expenses</b>		
Advertisement and business promotion	15,53,580	1,64,072
Auditors' remuneration (Refer Note 28.A)	12,75,000	7,50,000
Commission and brokerage	2,22,70,398	3,57,79,045
Communication	5,37,950	4,69,676
Legal and professional fees	3,59,41,799	23,73,718
Printing and stationery	76,020	35,024
Rates and taxes	1,03,81,032	32,068
Rent (Refer Note 39)	6,17,921	53,08,900
Repairs and maintenance	61,19,195	-
Computer expenses	(1,62,649)	1,79,171
Computer software	1,09,952	88,567
Clearing & custodian charges	10,899	1,43,97,794
Dematerialisation charges	-	9,810
Loss on sale of of fixed assets	62,496	-
Membership and subscription	-	6,926.00
Office expenses (Refer Note 39)	6,66,026	2,59,237
ROC Expenses	-	1,87,50,000.00
Securities transaction tax	-	94,80,259
Goods & Service tax expenses	(13,49,218)	71,36,704
Stamp duty	11,87,944	5,16,872
Transportation Charges	1,000	11,369
Travelling and conveyance	75,217	6,73,995
Miscellaneous expenses	10,605	22,041
Housekeeping and security charges	-	1,33,022
	<b>7,93,85,167</b>	<b>9,65,78,270</b>

#### 28.A Auditors' remuneration:

	For the year ended March 31, 2021	For the year ended 31 March 2020
<b>As a Auditor</b>		
- Statutory Audit	12,00,000	7,50,000
- Tax Audit	75,000	-
	<b>12,75,000</b>	<b>7,50,000</b>



**Edelweiss Investment Adviser Limited**

**Notes to the financial statements**

(Currency: Indian rupees)

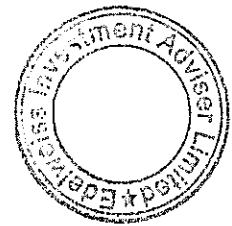
**29. Income Tax**

**29.A Component of Income Tax Expenses**

	<b>For the year ended March 31, 2021</b>	<b>For the year ended 31 March 2020</b>
Adjustment in respect of current income tax of Prior years	(82,61,920)	(24,48,082)
Deferred tax relating to origination and reversal of temporary differences	25,62,99,751	5,30,22,607
Deferred tax recognised on unused tax credit or unused tax losses	(3,44,69,772)	(2,56,34,034)
<b>Total Tax Charge for the year</b>	<b>21,35,68,059</b>	<b>2,49,40,491</b>
<b>Current Tax</b>	<b>(82,61,920)</b>	<b>(24,48,082)</b>
<b>Deferred Tax (Refer Note 29.C)</b>	<b>22,18,29,979</b>	<b>2,73,88,573</b>

**29.B The income tax expenses for the year can be reconciled to the accounting profit as follows:**

	<b>For the year ended March 31, 2021</b>	<b>For the year ended 31 March 2020</b>
<b>Profit before Taxes</b>	<b>(5,06,73,15,589)</b>	<b>(3,05,98,73,737)</b>
Statutory Income Tax rate	25.17%	34.94%
<b>Tax Charge at Statutory Rate</b>	<b>(1,27,53,41,987)</b>	<b>(1,06,92,42,279)</b>
<b>Tax effect of :</b>		
Adjustment in respect of current income tax of prior year	(82,61,920)	(24,48,082)
<b>Effect of non-deductible expenses:</b>		
- Reversal / (Recognition) of MAT credit	13,52,40,692	(24,48,082)
- Due to change in tax rates	12,10,59,059	-
- DTA on losses not recognised	1,27,53,41,987	1,09,90,78,934
- Reversal of deferred tax recognised on unused tax losses	(3,44,69,772)	-
<b>Income Tax Expenses Reported in Statement of Profit and Loss</b>	<b>21,35,68,059</b>	<b>2,49,40,490</b>
<b>Effective Income Tax Rate</b>	<b>(4.21%)</b>	<b>(0.82%)</b>





**Edelweiss Investment Adviser Limited**

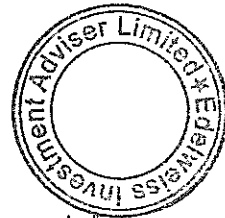
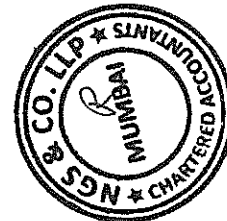
Notes to the financial statements

(Currency: Indian rupees)

**29. Income Tax**

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

	As at March 31, 2020	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	As at March 31, 2021
<b>For the Year Ended March 2021</b>					
<b>Deferred Tax Assets</b>					
Difference between book and tax depreciation (including intangibles)	5,51,602	(1,54,317)	-	-	3,97,285
Provision for doubtful debts - ECL provision	26,25,366	1,24,75,434	-	-	1,51,00,800
Unrealised loss on derivatives	10,41,352	(10,41,352)	-	-	-
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	53,26,75,699	(16,97,10,464)	-	-	36,29,65,235
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	13,52,40,692	(13,52,40,692)	-	-	-
Disallowances under section 43B of the Income Tax Act, 1961	4,12,844	(4,12,844)	-	-	-
<b>Deferred Tax Liabilities</b>					
Unrealised gain on derivatives	(12,62,395)	12,62,395	-	-	-
Fair valuation of financial instruments	(25,37,58,149)	7,09,91,864	-	-	(18,27,66,286)
<b>Deferred Tax Asset (net)</b>	<b>41,75,27,011</b>	<b>(22,18,29,977)</b>	<b>-</b>	<b>-</b>	<b>19,56,97,034</b>
<b>For the Year Ended March 2020</b>					
<b>Deferred Tax Assets</b>					
Difference between book and tax depreciation (including intangibles)	5,51,602	-	-	-	5,51,602
Provision for doubtful debts - ECL provision	26,25,366	-	-	-	26,25,366
Unrealised loss on derivatives	10,41,352	-	-	-	10,41,352
Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	55,58,61,651	(2,31,85,952)	-	-	53,26,75,699
Unused tax credits (including but not limited to Minimum Alternate Tax credit)	13,76,88,774	(24,48,082)	-	-	13,52,40,692
Disallowances under section 43B of the Income Tax Act, 1961	21,95,340	(17,54,541)	(27,955)	-	4,12,844
<b>Deferred Tax Liabilities</b>					
Unrealised gain on derivatives	(12,62,395)	-	-	-	(12,62,395)
Fair valuation of financial instruments	(25,37,58,149)	-	-	-	(25,37,58,149)
<b>Deferred Tax Asset (net)</b>	<b>44,49,43,541</b>	<b>(2,73,88,575)</b>	<b>(27,955)</b>	<b>-</b>	<b>41,75,27,011</b>



## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: Indian rupees)

#### 30. Segment reporting

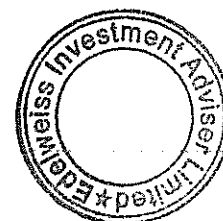
The Company's business is organised and management reviews the performance based on the business segments as mentioned below:

Segment	Activities covered
Capital based business	Income from treasury operations, income from investments and dividend income
Agency business	Broking and advisory services

Income for each segment has been specifically identified. Expenditures, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been. Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

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

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>I Segment revenue</b>		
a) Capital based business	(2,83,45,85,483)	(91,40,57,146)
b) Agency business	11,98,316	5,87,01,421
c) Unallocated	-	-
Total	(2,83,33,87,167)	(85,53,55,725)
Less : Inter segment revenue	-	-
<b>Total income</b>	<b>(2,83,33,87,167)</b>	<b>(85,53,55,725)</b>
<b>II Segment results</b>		
a) Capital based business	(5,06,90,94,796)	(3,07,02,01,951)
b) Agency business	17,79,207	1,03,28,214
c) Unallocated	-	-
Total	(5,06,73,15,589)	(3,05,98,73,737)
<b>Profit before taxation</b>	<b>(5,06,73,15,589)</b>	<b>(3,05,98,73,737)</b>
Less : Provision for taxation	21,35,68,059	2,49,40,491
<b>Profit after taxation</b>	<b>(5,28,08,83,648)</b>	<b>(3,08,48,14,228)</b>



## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: Indian rupees)

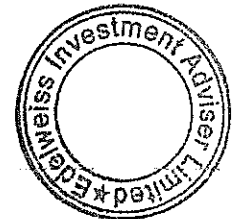
## Edelweiss Investment Adviser Limited

### Notes to the financial statements

(Currency: Indian rupees)

### Segment reporting (continued)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>III Segment assets</b>		
a) Capital based business	5,74,56,69,457	8,30,76,03,006
b) Agency business	2,58,685	23,39,267
c) Unallocated	25,72,66,421	45,29,16,291
<b>Total</b>	<b>6,00,31,94,563</b>	<b>8,76,28,58,564</b>
<b>IV Segment liabilities</b>		
a) Capital based business	13,91,97,65,139	11,33,77,83,247
b) Agency business	5,40,096	1,12,74,420
c) Unallocated	1,60,57,119	6,61,16,040
<b>Total</b>	<b>13,93,63,62,354</b>	<b>11,41,51,73,707</b>
<b>V Capital expenditure (Including capital work-in-progress)</b>		
a) Capital based business	27,21,46,786	49,15,75,500
b) Agency business	-	2,60,265
<b>Total</b>	<b>27,21,46,786</b>	<b>49,18,35,765</b>
<b>VI Depreciation, amortisation and impairment</b>		
a) Capital based business	34,96,84,428	32,44,49,670
b) Agency business	-	13,22,936
<b>Total</b>	<b>34,96,84,428</b>	<b>32,57,72,606</b>
<b>VII Significant non-cash expenses other than depreciation and amortisation</b>		
a) Capital based business	3,26,85,37,454	1,37,03,40,615
b) Agency business	28,65,461	3,79,291
<b>Total</b>	<b>3,27,14,02,915</b>	<b>1,37,07,19,906</b>



## Edelweiss Investment Adviser Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees)

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

In accordance with Indian Accounting Standard 24 on "Related Party Disclosures" as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

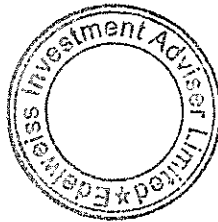
Edelweiss Financial Services Limited	Ultimate Holding Company
Edelweiss Rural & Corporate Services Limited	Holding Company

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

Edelweiss Alternative Asset Advisors Limited  
Edelweiss Finvest Limited  
Edelweiss Securities Limited (upto 26 Mar 2021)  
ECL Finance Limited  
Edelweiss Global Wealth Management Limited (upto 26 Mar 2021)  
Edelweiss Retail Finance Limited  
Edel Land Limited  
Edelweiss Asset Management Limited  
Edelweiss Housing Finance Limited.  
Edelweiss Custodial Services Limited (upto 26 Mar 2021)  
ECap Equities Limited  
Edelweiss Broking Limited (upto 26 Mar 2021)  
Edelweiss Gallagher Insurance Brokers Limited.  
Edelweiss Multi Strategy Fund Advisors I.I.P.  
Edel Investments Limited  
Edelweiss Asset Reconstruction Company Limited

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

Edelweiss Broking Limited (w.e.f. 27 Mar 2021)  
Edelweiss Custodial Services Limited (w.e.f. 27 Mar 2021)  
Edelweiss Global Wealth Management Limited (w.e.f. 27 Mar 2021)  
Edelweiss Securities Limited (w.e.f. 27 Mar 2021)



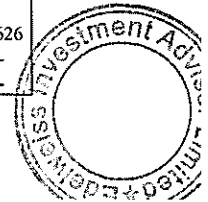
**Edelweiss Investment Adviser Limited**

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

(Currency: Indian rupees)

**31. Disclosure of Related parties as required under IND AS - 24 - "Related Party Disclosure" (Continued)**

Sr. No.	Nature of Transaction	Name of Related Parties	31 March 2021	31 March 2020
	<b>Current account transactions during the year</b>			
1	Short term loans taken from (refer note (i) below) - Max method	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	2,90,05,00,000 1,64,00,00,000	5,00,00,00,000 1,22,18,78,665
2	Short term loans taken from (refer note (i) below) - Total method	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	4,88,26,00,000 4,98,97,23,467	5,00,00,00,000 7,55,32,94,611
3	Short term loans repaid to (refer note (i) below) - Max method	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	1,50,00,00,000 2,90,05,00,000	1,00,00,00,000 5,00,00,00,000
4	Short term loans repaid to (refer note (i) below) - Total method	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	3,23,02,00,000 6,49,25,11,666	1,00,00,83,070 10,56,25,91,684
5	Interest expenses on loan from	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	1,02,37,73,207 30,68,22,321	76,39,01,835 56,86,50,040
6	Interest income on margin from	Edelweiss Custodial Services Limited	193	83,80,627
7	Purchase of investment in Debt Securities held for trading	Edelweiss Finvest Limited	1,63,39,37,526	-
8	Advisory fees for syndication earned from	FCI, Finance Limited Edelweiss Housing Finance Limited	- -	31,06,505 9,39,646
9	Cost reimbursement paid to	Edelweiss Rural & Corporate Services Limited Edelweiss Securities Limited Edelweiss Financial Services Limited ECap Equities Limited Edelweiss Asset Management Limited Edelweiss Broking Limited Edelweiss Alternative Asset Advisors Limited	1,77,670 1,64,697 19,287 74,087 - 2,92,419 1,87,860	4,29,442 20,88,860 1,58,404 1,633 20,032 32,05,557 -
10	Cost reimbursement recovered from	Edelweiss Asset Management Limited Edelweiss Securities Limited Edelweiss Financial Services Limited ECap Equities Limited Edelweiss Rural & Corporate Services Limited	- - - - -	2,05,001 491 279 540 9,765
11	Tax reimbursement paid to	Edelweiss Rural & Corporate Services Limited	13,400	1,500
12	Tax reimbursement received from	Edelweiss Financial Services Limited	-	5,441
13	Brokerage income earned from	Edelweiss Housing Finance Limited ECL Finance Limited	- -	9,83,309 15,21,017
14	Office Expenses	Edelweiss Rural & Corporate Services Limited Edelweiss Financial Services Limited	6,62,987 1,596	2,46,772 15,998
15	Clearing charges paid to	Edelweiss Custodial Services Limited	-	1,43,97,794
16	Advisory Fees paid to	Edelweiss Alternative Asset Advisors Limited	93,20,609	-
17	Insurance expenses paid to	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited	1,79,269 -	12,49,407 2,391
18	Sale of Fixed Assets to	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited Edelweiss Securities Limited Edelweiss Housing Finance Limited ECL Finance Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Asset Management Limited Edelweiss Broking Limited Edelweiss Global Wealth Management Limited Edelweiss Asset Reconstruction Company Limited	- - 31,453 - - 144 4,208 1,13,964 3,880 7,017	20,691 46,687 56,113 16,691 40,659 15,491 3,61,139 94,617 - -
19	Commission & Brokerage Expense paid to	Edelweiss Securities Limited Edelweiss Broking Limited Edelweiss Housing Finance Limited	22,05,263 9,581 2,76,751	35,60,626 - -



**Edelweiss Investment Adviser Limited**

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

(Currency: Indian rupees)

Sr. No.	Nature of Transaction	Name of Related Parties	31 March 2021	31 March 2020
20	Purchase of Fixed Assets from	Edelweiss Securities Limited Edelweiss Financial Services Limited Edelweiss Broking Limited Edelweiss Housing Finance Limited	- - - -	11,358 12,981 55,842 13,865
21	Margins placed with	Edelweiss Securities Limited Edelweiss Custodial Services Limited	22,05,263 60,00,712	84,989 19,65,51,007
22	Margins withdrawn by	Edelweiss Custodial Services Limited Edelweiss Securities Limited	25,61,247 22,05,263	1,17,73,35,407 -
23	Amount paid to broker for cash segment	Edelweiss Securities Limited	-	17,59,53,074
24	Amount received from broker for cash segment	Edelweiss Securities Limited	-	17,61,16,203
25	Interest income on investment in debt securities held for trading	Edelweiss Asset Reconstruction Company Limited	15,22,92,894	-
26	Transfer of gratuity liability on account of employee transfer to	Edelweiss Broking Limited Edelweiss Asset Management Limited	9,52,000 -	- 48,43,000
27	Redemption of investment in debt securities held for trading	Edelweiss Asset Reconstruction Company Limited	19,54,56,745	-
<b>Balances with related parties</b>				
28	Short term loan taken from	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	11,36,69,16,521 5,18,653	9,71,45,16,521 1,50,33,06,852
29	Trade payables to	Edelweiss Rural & Corporate Services Limited ECL Finance Limited Edelweiss Financial Services Limited Edelweiss Broking Limited Edelweiss Alternative Asset Advisors Limited Edelweiss Securities Limited ECap Equities Limited	88,020 787 42,757 - 8,81,082 - 13,540	1,14,248 787 1,51,207 3,18,578 - 43,78,916 13
30	Other payables to	Edelweiss Asset Management Limited Edelweiss Custodial Services Limited Edelweiss Broking Limited Edelweiss Financial Services Limited	- - 9,000 253	48,43,000 10,79,466 - -
31	Accrued interest expenses on loan taken from	Edelweiss Rural & Corporate Services Limited ECap Equities Limited	8,53,56,845 2,40,15,597	7,83,98,313 3,11,67,920
32	Trade receivables from	Edelweiss Housing Finance Limited Edelweiss Rural & Corporate Services Limited Edelweiss Broking Limited Edelweiss Financial Services Limited Edelweiss Asset Management Limited Edel Investments Limited	- - 28,592 - 38,185 750	3,26,567 14,175 - 1,90,816 36,626 381
33	Interest receivable on margins	Edelweiss Custodial Services Limited	-	8,37,942
34	Interest payable on margins	Edelweiss Securities Limited	-	3,693
35	Investment in debt securities held for trading	Edelweiss Asset Reconstruction Company Limited	1,49,37,77,509	-
36	Margin placed with	Edelweiss Custodial Services Limited	23,60,000	-
37	Accrued Interest on investment in debt securities held for trading	Edelweiss Asset Reconstruction Company Limited	2,05,771	-

**Note:**

(i) As part of fund based activities, intergroup company loans and advances activities undertaken are generally in the nature of revolving demand loans. Such loans and advances, voluminous in nature, are carried on at arm's length and in the ordinary course of business. Pursuant to Ind AS 24 – Related Party Disclosures, maximum amount of loans given and repaid alongwith the transaction volume are disclosed above as in the view of the management it provides meaningful reflection of such related party transactions on the financial statements. Interest income and expenses on such loans and advances are disclosed on the basis of full amounts of such loans and advances given and repaid.

(ii) Disclosure under section 186(4) of the Companies Act 2013, for loans: Loans have been given for general business purposes.



## Edelweiss Investment Adviser Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees)

#### 32. Earnings per share

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

	2021	2020
a) Shareholders earnings (as per statement of profit and loss)	(5,28,08,83,648)	(3,08,48,14,228)
b) Calculation of weighted average number of Equity Shares of Rs 10 each:		
- Number of equity shares at the beginning of the year	10,05,50,000	5,50,000
- Number of equity shares issued during the year		10,00,00,000
Total number of equity shares outstanding at the end of the year	<u>10,05,50,000</u>	<u>10,05,50,000</u>
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	10,05,50,000	10,97,945
c) Basic and diluted earnings per share (in rupees) (a/b)	(52.52)	(2,809.63)

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

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

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

#### 34. Capital commitments

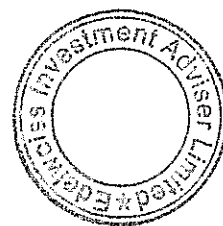
The Company has Rs. 32,50,00,000 (Previous year: Rs 23,25,00,000) capital commitments as at the balance sheet date.

#### 35. Contingent liabilities

There is no contingent liabilities as at 31 March 2021 (Previous Year: Nil)

#### 36. Earnings and expenditure in foreign currency

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



## Edelweiss Investment Adviser Limited

### Notes to financial statements

(Currency: Indian rupees)

#### 37. Employee Benefits

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

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

The Company recognised ₹ 1,71,589 (Previous year: ₹ 11,38,823) for provident fund and other contributions in the statement of profit and loss.

##### b) Defined benefit plan - Gratuity

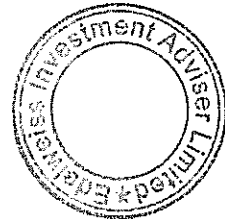
In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment in accordance with the rules laid down in the Payment of Gratuity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

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

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

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

	March 31, 2021	March 31, 2020
Present Value of DBO at Start of the year	9,90,000	54,95,000
Service Cost		
Current Service Cost	-	2,15,000
Interest Cost	2,000	44,000
Benefits Paid	-	-
Re-measurements		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	1,59,000
b. Actuarial Loss/(Gain) from changed in financials assumptions	-	23,000
c. Actuarial Loss/(Gain) from experience over last past year	(31,000)	(1,03,000)
Transfer In / (Out)	(9,61,000)	(48,43,000)
Present Value of DBO at end of the year	-	9,90,000





**Edelweiss Investment Adviser Limited**

**Notes to financial statements**

(Currency: Indian rupees)

**37. Employee Benefits**

Edelweiss Investment Adviser Limited

Notes to financial statements

(Currency: Indian rupees)

Expenses recognised in the Profit or Loss

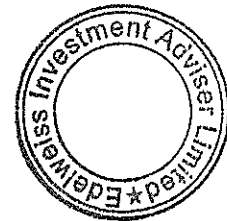
	March 31, 2021	March 31, 2020
<i>Service Cost</i>		
Current Service Cost	-	2,15,000
Net Interest on net defined benefit liability / (asset)	2,000	44,000
Changes in foreign exchange rate	-	-
<b>Employer Expenses</b>	<b>2,000</b>	<b>2,59,000</b>

Net Liability / (Asset) recognised in the Balance sheet

	March 31, 2021	March 31, 2020
Present Value of DBO	-	9,90,000
Fair Value of Plan Assets	-	-
Liability / (Asset) recognised in the Balance Sheet	-	9,90,000
Funded Status [Surplus/ (Deficit)]	-	(9,90,000)
Of which, Short term Liability	-	1,26,000
Experience Adjustment on Plan Liabilities:(Gain)/Loss	(31,000)	(1,03,000)

Actuarial assumptions:

	March 31, 2021	March 31, 2020
Salary Growth Rate (% p.a)	NA	7% p.a
Discount Rate (% p.a)	NA	5.90%
Interest Rate on Net DBO/ (Asset) (% p.a.)	NA	6.70%
Withdrawal Rate (% p.a)	NA	
<i>Senior</i>	NA	13% p.a
<i>Middle</i>	NA	18% p.a
<i>Junior</i>	NA	25% p.a
Mortality Rate	NA	IALM 2012-14(Ultimate)
Expected weighted average remaining working life (years)	NA	4 Years



**Edelweiss Investment Adviser Limited**

Notes to financial statements

(Currency: Indian rupees)

**37. Employee Benefits**

**Edelweiss Investment Adviser Limited**

Notes to financial statements

(Currency: Indian rupees)

**Movement in Other Comprehensive Income**

	March 31, 2021	March 31, 2020
<b>Balance at start of year (Loss)/ Gain</b>	<b>80,000</b>	<b>1,59,000</b>
<i>Re-measurements on DBO</i>		
a. Actuarial Loss/(Gain) from changes in demographic assumptions	-	(1,59,000)
b. Actuarial Loss/(Gain) from changed in financials assumptions	-	(23,000)
c. Actuarial Loss/(Gain) from experience over last past year	31,000	1,03,000
<b>Balance at end of year (Loss)/ Gain</b>	<b>1,11,000</b>	<b>80,000</b>

**Sensitivity Analysis**

<b>DBO increases / (decreases ) by</b>	March 31, 2021	March 31, 2020
1 % Increase in Salary Growth Rate	NA	54,000
1 % Decrease in Salary Growth Rate	NA	(51,000)
1 % Increase in Discount Rate	NA	(51,000)
1 % Decrease in Discount Rate	NA	55,000
1 % Increase in Withdrawal Rate	NA	(3,000)
1 % Decrease in Withdrawal Rate	NA	3,000
Mortality (Increase in expected lifetime by 1 year)	NA	Negligible Change
Mortality (Increase in expected lifetime by 3 year)	NA	Negligible Change

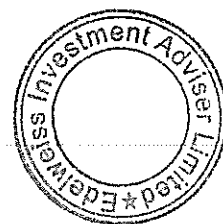
Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant there are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses.

**Movement in Surplus / (Deficit)**

	March 31, 2021	March 31, 2020
<b>Surplus / (Deficit) at start of year</b>	<b>(9,90,000)</b>	<b>(54,95,000)</b>
Net (Acquisition) / Divestiture	-	-
Net Transfer (In)/ Out	9,61,000	48,43,000
<i>Movement during the year</i>		
Current Service Cost	-	(2,15,000)
Past Service Cost	-	-
Net Interest on net DBO	(2,000)	(44,000)
Changes in foreign exchange rate	-	-
Re-measurements	31,000	(79,000)
Contributions / Benefits	-	-
<b>Surplus / (Deficit) at end of year</b>	<b>-</b>	<b>(9,90,000)</b>

c) **Compensated absences :**

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



## Edelweiss Investment Adviser Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees)

#### 38. Employee Stock Option Plans

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

#### 39. Cost sharing

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

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

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

#### 40. Capital management :

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

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

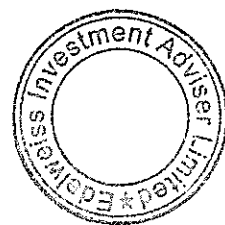
The Company is not subject to any regulatory capital requirements.

#### 41. Risk Management

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

##### Risk management structure

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



**Edelweiss Investment Adviser Limited**

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

(Currency: Indian rupees)

**41. Risk Management (Continued)**

**Credit risk**

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

**Liquidity risk**

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

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

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

**Index Price Risk:**

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

Impact on	2020-21			
	Increase in equity price (%)	Effect on profit before tax	Decrease in equity price (%)	Effect on profit before tax
Securities held for trading	5	7,46,99,164	5	(7,46,99,164)

There are no open derivative position as at 31 March 2021 and 31 March 2020.

**Interest Rate Risk:**

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

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

Impact on	2020-21			
	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Borrowings other than debt securities	0.25	2,84,18,588	0.25	(2,84,18,588)

Impact on	2020-21			
	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Borrowings other than debt securities	0.25	2,80,44,558	0.25	(2,80,44,558)

**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	2020-21			
	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Loans classified at FVTPL	5	10,44,65,069	5	(10,44,65,069)

Impact on	2019-20			
	Increase in price (%)	Effect on profit before tax	Decrease in price (%)	Effect on profit before tax
Loans classified at FVTPL	5	27,39,60,356	5	(27,39,60,356)



## Edelweiss Investment Adviser Limited

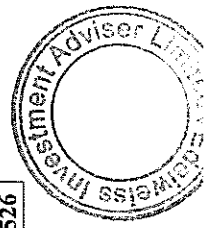
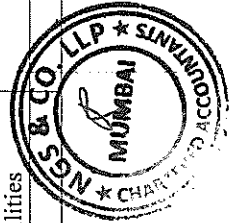
Notes to the financial statements

(Currency: Indian rupees)

### 42. Total market risk exposure

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Traded risk	Carrying amount	Traded risk
<b>Assets</b>				
Cash and cash equivalent and other bank balances	22,68,088	-	55,81,835	-
Bank balances other than cash and cash equivalents	4,63,25,520		-	
Securities held for trading	1,49,39,83,280	1,49,39,83,280	-	-
Loans at FVTPL	2,08,93,01,379	-	5,47,92,07,120	5,47,92,07,120
Loans at amortised cost	10,20,69,490	-	14,94,74,279	14,94,74,279
Trade receivables	1,23,51,641	-	14,09,432	14,09,432
<b>Other Financial assets :</b>				
Accrued interest on margin	-	-	8,37,942	8,37,942
Margin placed with brokers	23,60,000	23,60,000	-	-
Receivable from Real Estate Developer	1,84,51,660	-	-	-
<b>Total</b>	<b>3,76,71,11,058</b>	<b>1,49,63,43,280</b>	<b>5,63,65,10,608</b>	<b>5,63,56,72,666</b>
<b>Liability</b>				
Borrowings (other than debt securities)	11,47,68,07,616	-	11,32,73,89,606	11,32,73,89,606
Debt securities	2,43,30,62,308		-	-
Trade payables	61,87,942	-	74,66,745	74,66,745
Other financial liabilities	24,28,371	-	61,12,641	10,79,466.00
<b>Total</b>	<b>13,91,84,86,237</b>	<b>-</b>	<b>11,34,09,68,992</b>	<b>11,33,98,89,526</b>



43. Fair value Measurement

A. Valuation Principles :

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 43.E

B. Valuation governance :

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

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

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

C. Fair value hierarchy

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

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

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

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

Particulars	As at 31 March 2021			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Stock-in-trade				
Securities held for trading			1,49,39,83,280	1,49,39,83,280
<b>Total stock-in-trade</b>	-	-	<b>1,49,39,83,280</b>	<b>1,49,39,83,280</b>
Loans :				
Loans classified as FVTPL	-	-	2,08,93,01,379	2,08,93,01,379
<b>Total loans measured at fair value</b>	-	-	<b>2,08,93,01,379</b>	<b>2,08,93,01,379</b>
<b>Total financial assets measured at fair value on a recurring basis</b>	-	-	<b>3,58,32,84,658</b>	<b>3,58,32,84,658</b>

Particulars	As at 31 March 2020			Total
	Level 1	Level 2	Level 3	
Assets measured at fair value on a recurring basis				
Loans :				
Loans classified as FVTPL	-	-	5,47,92,07,120	5,47,92,07,120
<b>Total financial assets measured at fair value on a recurring basis</b>	-	-	<b>5,47,92,07,120</b>	<b>5,47,92,07,120</b>

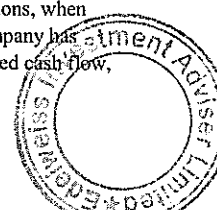
E. Fair valuation techniques :

Securities held for trading

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

Loans measured at fair value through profit or loss

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



## 43. Fair Values of Financial Instruments (Continued)

## F. Movement in level 3 financial instruments measured at fair value

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

Particulars	Financial assets		Total
	Loans at FVTPL	Securities held for trading	
At 01 April 2020	5,47,92,07,120	-	5,47,92,07,120
Purchase	3,37,53,880	1,63,39,37,526	1,66,76,91,406
Sales / repayment received	(11,14,44,388)	(19,54,58,379)	(30,69,02,767)
Accrued Interest Income	-	2,05,771	2,05,771
Gains / (losses) for the period recognised in profit or loss -Unrealised	(3,26,85,37,455)	5,52,98,362	(3,21,32,39,093)
Gains / (losses) for the period recognised in profit or loss -Realised	(4,36,77,778)	-	(4,36,77,778)
At 31 March 2021	2,08,93,01,379	1,49,39,83,280	3,58,32,84,659

Particulars	Financial assets		Total
	Loans at FVTPL	Securities held for trading	
At 01 April 2019	5,89,68,15,717	-	5,89,68,15,717
Purchase	1,02,68,52,713	-	1,02,68,52,713
Sales / repayment received	(11,38,46,942)	-	(11,38,46,942)
Gains / (losses) for the period recognised in profit or loss -Unrealised	(1,31,39,45,938)	-	(1,31,39,45,938)
Gains / (losses) for the period recognised in profit or loss -Realised	(1,66,68,430)	-	(1,66,68,430)
At 31 March 2020	5,47,92,07,120	-	5,47,92,07,120



43. Fair Values of Financial Instruments (Continued)

G. Unobservable inputs used in measuring fair value categorised within level 3

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

Type of financial Instruments	Fair value of asset as on 31 March 2021	Fair value of liability as on 31 March 2021	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Nonconvertible debentures issued	1,49,39,83,780	-	Discounted projected cash flow	Expected gross recoveries Discount rates	23.65, 12.35, 134 11.50% to 17.50%	5% 0.50%	10,54,99,897 (7,41,61,346)	5% 0.50%	(10,54,99,897) 2,47,14,732
Loans classified as FVTPL	2,08,01,01,379	-	Comparable transaction value	Discounting rate	15%-20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value

Type of financial Instruments	Fair value of asset as on 31 March 2020	Fair value of liability as on 31 March 2020	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Loans classified as FVTPL	5,47,92,07,120	-	Comparable transaction value	Discounting rate	15%-20%	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value	1%	A one percentage point change in the discounting rate used in fair valuation of Level 3 assets does not have a significant impact in its value





## 44. Disclosure related to collateral

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

As at 31 March 2021	Pledge as collateral	Others <sup>1</sup>	Available as collateral	Others <sup>2</sup>	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	22,68,088	22,68,088
Bank balances other than cash and cash equivalents	4,63,25,520	-	-	-	4,63,25,520
Securities held for trading	1,49,39,83,280	-	-	-	1,49,39,83,280
Trade Receivables	-	-	1,23,51,641	-	1,23,51,641
Loans	10,20,69,490	-	2,08,93,01,379	-	2,19,13,70,869
Other financial assets	2,08,11,660	-	-	-	2,08,11,660
Investment Property	64,38,36,164	-	1,33,17,52,363	-	1,97,55,88,527
Property, Plant and Equipment	-	-	6,99,148	-	6,99,148
Other non financial assets	-	-	-	95,000	95,000
<b>Total Assets</b>	<b>2,30,70,26,114</b>	<b>-</b>	<b>3,43,41,04,531</b>	<b>23,63,088</b>	<b>5,74,34,93,733</b>

As at 31 March 2020	Pledge as collateral	Others <sup>1</sup>	Available as collateral	Others <sup>2</sup>	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	55,81,835	55,81,835
Trade Receivables	-	-	14,09,432	-	14,09,432
Loans	-	-	3,62,86,81,399	-	3,62,86,81,399
Other financial assets	8,37,942	-	-	-	8,37,942
Investment Property	-	-	2,67,70,02,567	-	2,67,70,02,567
Property, Plant and Equipment	-	-	17,87,345	-	17,87,345
Other non financial assets	-	-	-	95,000	95,000
<b>Total Assets</b>	<b>8,37,942</b>	<b>-</b>	<b>8,30,88,80,743</b>	<b>56,76,835</b>	<b>8,31,53,95,520</b>

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

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



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

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

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

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

As at 31 March 2021	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	-	61,87,942	-	-	-	-	61,87,942
Debt securities	-	-	-	2,43,30,62,308	-	-	2,43,30,62,308
Borrowings (other than debt securities)	11,47,68,07,616	-	-	-	-	-	11,47,68,07,616
Other financial liabilities	-	24,28,371	-	-	-	-	24,28,371
<b>Total undiscounted non-derivative financial liabilities</b>	<b>11,47,68,07,616</b>	<b>86,16,313</b>	<b>-</b>	<b>2,43,30,62,308</b>	<b>-</b>	<b>-</b>	<b>13,91,04,86,237</b>

As at 31 March 2020	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Trade payables	-	74,66,745	-	-	-	-	74,66,745
Borrowings (other than debt securities)	11,32,73,89,606	-	-	-	-	-	11,32,73,89,606
Other financial liabilities	-	61,12,641	-	-	-	-	61,12,641
<b>Total undiscounted non-derivative financial liabilities</b>	<b>11,32,73,89,606</b>	<b>1,35,79,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,34,09,68,992</b>

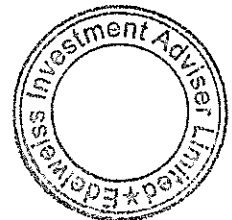
## B. Analysis of non-derivative financial assets by remaining contractual maturities

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

As at 31 March 2021	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalents	22,68,088	-	-	-	-	-	22,68,088
Bank balances other than cash and cash equivalents	4,63,25,520	-	-	-	-	-	4,63,25,520
Securities held for trading	-	-	-	1,49,39,83,280	-	-	1,49,39,83,280
Trade receivables	-	1,23,51,641	-	-	-	-	1,23,51,641
Loans	-	-	-	26,58,60,117	81,65,01,478	1,10,90,09,274	2,19,13,70,869
Other financial assets	-	2,08,11,660	-	-	-	-	2,08,11,660
<b>Total undiscounted non-derivative financial assets</b>	<b>4,85,93,608</b>	<b>3,31,63,301</b>	<b>-</b>	<b>1,75,98,43,397</b>	<b>81,65,01,478</b>	<b>1,10,90,09,274</b>	<b>3,76,71,11,058</b>

As at 31 March 2020	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Cash and cash equivalents	55,81,835	-	-	-	-	-	55,81,835
Trade receivables from non-related parties	-	10,09,249	-	-	-	-	10,09,249
Trade receivables from related parties	-	4,00,183	-	-	-	-	4,00,183
Loans	-	-	-	-	-	5,62,86,81,399	5,62,86,81,399
Other financial assets	-	8,37,942	-	-	-	-	8,37,942
<b>Total undiscounted non-derivative financial assets</b>	<b>55,81,835</b>	<b>22,47,374</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,62,86,81,399</b>	<b>5,63,65,10,608</b>



Edelweiss Investment Adviser Limited

Notes to the financial statements

(Currency : Indian rupees)

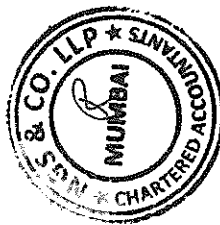
45. Analysis of non-derivative financial liabilities, non-derivative financial assets, derivatives and financial commitments by remaining contractual maturities

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

As at 31 March 2021	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Other commitments	-	-	-	3,50,00,000	15,30,00,000	-	18,80,00,000
<b>Total</b>	-	-	-	3,50,00,000	15,30,00,000	-	18,80,00,000

As at 31 March 2020	On Demand	Upto 3 months	Between 3 to 6 months	Between 6 months to 1 year	Between 1 year to 3 years	More than 3 years	Total
Other commitments	-	-	-	-	-	23,25,00,000	23,25,00,000
<b>Total</b>	-	-	-	-	-	23,25,00,000	23,25,00,000



## 46. Maturity analysis of assets and liabilities

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

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	22,68,088	-	22,68,088	55,81,835	-	55,81,835
Bank balances other than cash and cash equivalents	4,63,25,520	-	4,63,25,520	-	-	-
Securities held for trading	1,49,39,83,280	-	1,49,39,83,280	-	-	-
Trade receivables	1,23,51,641	-	1,23,51,641	14,09,432	-	14,09,432
Loans at FVTPL	16,37,90,627	1,92,55,10,752	2,08,93,01,379	-	5,47,92,07,120	5,47,92,07,120
Loans at amortised cost	10,20,69,490	-	10,20,69,490	-	14,94,74,279	14,94,74,279
Accrued interest on margin	-	-	-	8,37,942	-	8,37,942
Margin placed with brokers	23,60,000	-	23,60,000	-	-	-
Receivable from Real Estate Developer	1,84,51,660	-	1,84,51,660	-	-	-
<b>Total</b>	<b>1,84,16,00,306</b>	<b>1,92,55,10,752</b>	<b>3,76,71,11,058</b>	<b>78,29,209</b>	<b>5,62,86,81,399</b>	<b>5,63,65,10,608</b>
<b>Non-financial assets</b>						
Current tax assets (net)	81,24,976	3,04,30,938	3,85,55,904	67,36,021	2,30,71,424	2,98,07,445
Deferred tax assets (net)	-	19,56,97,034	19,56,97,034	-	41,75,27,011	41,75,27,011
Investment property	-	1,97,55,88,527	1,97,55,88,527	-	2,67,70,02,567	2,67,70,02,567
Property, Plant and Equipment	-	6,99,148	6,99,148	-	17,87,345	17,87,345
Other Intangible assets	-	1,580	1,580	-	61,670	61,670
Other non-financial assets	2,54,46,312	95,000	2,55,41,312	66,918	95,000	1,61,918
<b>Total</b>	<b>3,35,71,288</b>	<b>2,20,25,12,217</b>	<b>2,23,60,83,505</b>	<b>68,02,939</b>	<b>3,11,95,45,018</b>	<b>3,12,63,47,956</b>
<b>Total Assets</b>	<b>1,87,51,71,594</b>	<b>4,12,80,22,969</b>	<b>6,00,31,94,563</b>	<b>1,46,32,148</b>	<b>8,74,82,26,417</b>	<b>8,76,28,58,564</b>

Particulars	As at 31 March 2021			As at 31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Trade payables	61,87,942	-	61,87,942	74,66,745	-	74,66,745
Debt securities	2,43,30,62,308	-	2,43,30,62,308	-	-	-
Borrowings other than debt securities	11,47,68,07,616	-	11,47,68,07,616	11,32,73,89,606	-	11,32,73,89,606
Other financial liabilities	24,28,371	-	24,28,371	61,12,641	-	61,12,641
<b>Total</b>	<b>13,91,84,86,237</b>	<b>-</b>	<b>13,91,84,86,237</b>	<b>11,34,09,68,992</b>	<b>-</b>	<b>11,34,09,68,992</b>
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	-	69,01,984	69,01,984	-	1,48,21,474	1,48,21,474
Provisions	-	-	-	1,66,000	10,15,446	11,81,446
Other non-financial liabilities	92,03,261	17,70,872	1,09,74,133	5,82,01,795	-	5,82,01,795
<b>Total</b>	<b>92,03,261</b>	<b>86,72,856</b>	<b>1,78,76,117</b>	<b>5,83,67,795</b>	<b>1,58,36,920</b>	<b>7,42,04,715</b>
<b>Total Liabilities</b>	<b>13,92,76,89,498</b>	<b>86,72,856</b>	<b>13,93,63,62,354</b>	<b>11,39,93,36,787</b>	<b>1,58,36,920</b>	<b>11,41,51,73,707</b>



Edelweiss Investment Adviser Limited

Notes to the financial statements

(Currency : Indian rupees)

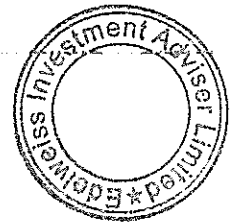
47. Analysis of risk concentration

Industry analysis - risk concentration for 31 March 2021

Particulars	Financial services	Construction	Others	Total
<b>Financial assets</b>				
Cash and cash equivalent and other bank balances	22,68,088	-	-	22,68,088
Bank balances other than cash and cash equivalents	4,63,25,520	-	-	4,63,25,520
Securities held for trading	1,49,39,83,280	-	-	1,49,39,83,280
Trade and other receivables	1,23,51,641	-	-	1,23,51,641
Loans-FVTPL	-	2,08,93,01,379	-	2,08,93,01,379
Loans-amortised cost	-	10,20,69,490	-	10,20,69,490
Other financial assets	2,08,11,660	-	-	2,08,11,660
<b>Total</b>	<b>1,57,57,40,189</b>	<b>2,19,13,70,869</b>	<b>-</b>	<b>3,76,71,11,058</b>

Industry analysis - risk concentration for 31 March 2020

Particulars	Financial services	Construction	Others	Total
<b>Financial assets</b>				
Cash and cash equivalent and other bank balances	55,81,835	-	-	55,81,835
Trade and other receivables	14,09,432	-	-	14,09,432
Loans-FVTPL	-	5,47,92,07,120	-	5,47,92,07,120
Loans-amortised cost	-	14,94,00,000	74,279	14,94,74,279
Other financial assets	8,37,942	-	-	8,37,942
<b>Total</b>	<b>78,29,209</b>	<b>5,62,86,07,120</b>	<b>74,279</b>	<b>5,63,65,10,608</b>



48. Credit Quality

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

a Loans at amortised cost

Particulars	31-Mar-21			31-Mar-20			Total
	Stage I	Stage II	Stage III	Stage I	Stage II	Stage III	
Performing	-	10,20,69,490	-	-	14,94,74,179	-	14,94,74,279
Standard grade	-	10,20,69,490	-	-	14,94,74,179	-	14,94,74,279
<b>Total</b>	-	<b>10,20,69,490</b>	-	-	<b>14,94,74,179</b>	-	<b>14,94,74,279</b>

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

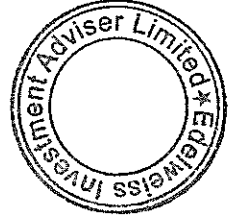
represents the impact of stage transfers upon the gross carrying amount and associated allowance for ECL. The net remeasurement of ECL arising from stage transfers represents the increase or decrease due to these transfers.

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

Reconciliation / movement for the year ended March 31, 2021

Particulars	Non credit impaired			Credit impaired			Total
	Stage I Gross Carrying Amount	Stage II Gross carrying Amount	Stage III Gross carrying Amount	Stage I Gross carrying Amount	Stage II Allowance for ECL	Stage III Allowance for ECL	
Opening balance	-	20,63,52,978	-	-	-	-	20,63,52,978
Transfer of financial assets	-	-	-	-	-	-	-
Stage I to Stage II	-	-	-	-	-	-	-
Stage I to Stage III	-	-	-	-	-	-	-
Stage II to Stage III	-	-	-	-	-	-	-
Stage II to Stage I	-	-	-	-	-	-	-
Stage III to Stage I	-	-	-	-	-	-	-
Stage III to Stage II	-	-	-	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	-	-	-	-	-	-
New assets originated /repayments received (net)	-	(6,57,56,992)	-	-	(1,83,52,203)	-	(6,57,56,992)
Loans sold to ARC	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-
<b>Closing balance</b>	-	<b>14,05,95,986</b>	-	-	<b>3,85,26,496</b>	-	<b>14,05,95,986</b>

Particulars	Non credit impaired			Credit impaired			Total
	Stage I Gross Carrying Amount	Stage II Gross carrying Amount	Stage III Gross carrying Amount	Stage I Gross carrying Amount	Stage II Allowance for ECL	Stage III Allowance for ECL	
Opening balance	20,63,52,978	-	-	-	-	-	20,63,52,978
Transfer of financial assets	-	-	-	-	-	-	-
Stage I to Stage II	(20,63,52,978)	20,63,52,978	-	-	-	-	-
Stage I to Stage III	-	-	-	-	-	-	-
Stage II to Stage III	-	-	-	-	-	-	-
Stage II to Stage I	-	-	-	-	-	-	-
Stage III to Stage I	-	-	-	-	-	-	-
Stage III to Stage II	-	-	-	-	-	-	-
Remeasurement of ECL arising from transfer of stage (net)	-	-	-	-	-	-	-
New assets originated /repayments received (net)	-	-	-	-	5,68,78,699	-	5,68,78,699
Loans sold to ARC	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-
<b>Closing balance</b>	-	<b>20,63,52,978</b>	-	-	<b>5,68,78,699</b>	-	<b>20,63,52,978</b>



**Edelweiss Investment Adviser Limited**

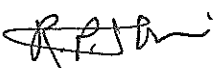
**Notes to the financial statements**

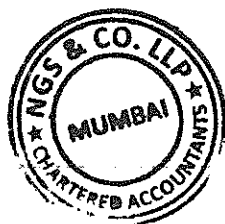
(Currency : Indian rupees)


49. Subsequent to the year end, Company has raised money through issue of Compulsorily Convertible Debentures amounting to ₹ 575 crores to its holding company and used this fund to pay its existing borrowing. There is no impact of these transactions on the financial statements of the Company as at 31 March 2021
50. The management has prepared cash flow forecast which inter alia includes the key assumptions viz. (i) cash inflows generated by the lending segment, based on reasonable expectations of generating operating cash inflows; (ii) proceeds from recovery of receivables, the sale of assets & investment properties and (iii) Financial support and additional capital infusion from the parent Company / Companies under the group. Based on the cash flow forecast the management believes that the Company has sufficient working capital and financial resources for ongoing operations and business activities to meet their obligations as and when they fall due.
- The COVID-19 pandemic outbreak across the world including India has resulted in most countries announcing lockdowns and quarantine measures that have sharply stalled economic activities across the world. The Indian Government too has imposed lockdowns starting from March 24, 2020. Subsequently, the national lockdown was lifted by the government for certain activities in a phased manner outside specified containment zones, but regional lockdowns/restrictions continued to be implemented in areas with a significant number of COVID-19 cases. The Indian economy is impacted and would continue to be impacted by this pandemic and the resultant lockdown, due to the contraction in industrial and services output across small and large businesses. The impact of the COVID -19 pandemic, including the current "second wave" on Company's results, including credit quality and provisions, gain/loss on fair value changes, investment, remains uncertain and dependent on the current and further spread of COVID -19, steps taken by the government, RBI and other regulators to mitigate the economic impact and also the time it takes for economic activities to resume and reach the normal levels. Further, the Company has assessed the impact of the COVID-19 pandemic on its liquidity and ability to repay its obligations as and when they are due. Management has considered various financial support from banks and other fundraising opportunities in determining the Company liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.
51. Previous year figures have been reclassified to conform to this year's classification.
52. Previous year figures have been reclassified to conform to this year's classification.

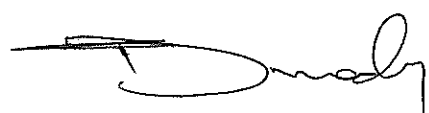
**For NGS & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 119850W

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

  
**R.P. Soni**  
Partner  
Membership No: 104796  
Mumbai June 9, 2021



  
**Sanjeev Rastogi**  
Director  
DIN: 00254303  
Mumbai June 9, 2021

  
**Prashant Mody**  
Director  
DIN: 03101048

