



## CONNECT. COMMUNICATE. COLLABORATE

*As you go through life, you will see that there is so much that we don't understand. And the only thing we know is things don't always go the way we plan.*  
– Simba in the Lion King

Last year taught us that even though things don't always go according to plan. We are in this together and as long as we stay connected, we can discover new paths as well as move forward.

We all went through a cycle of unlearning and then learning. Every person, from the owner of a kirana store in the neighbourhood to our grandparents living in another city, took on the challenge to embrace Zoom or Teams to talk to each other and figure out ways to get-together without actually getting together. Friends who weren't in touch for over a decade called to just check in. Teachers and students navigated the brave new world of online schooling. Our parents embraced the trend of ordering food and groceries online. Companies replaced chats by the water cooler with virtual team building sessions and went out of their way to engage with customers.

We found ways to communicate, stay digitally connected and collaborated to use our resources and unleashed the power of a large community. If there is one thing to celebrate this year, it is this human spirit which has held us together.

Edelweiss Mutual Fund in its Annual Report, celebrates this spirit and applauds the ability of people to connect, communicate and collaborate.



### About the cover

This year, we have taken inspiration from Warli Art. Synonymous with the Warli tribes of Maharashtra who believe in the power of community, celebrating together and staying connected to their roots. Edelweiss Mutual Fund is a brand which believes in doing things for the community, is approachable, connected and always accessible to customers.

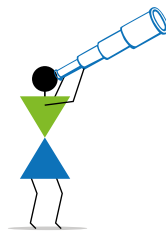
While staying rooted to our core values, we have moved ahead to adopt the latest technology to give our partners and investors the best experience. We are a homegrown Indian brand and a new age financial service company. Our Annual Report reflects these values.



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## **Our Vision**

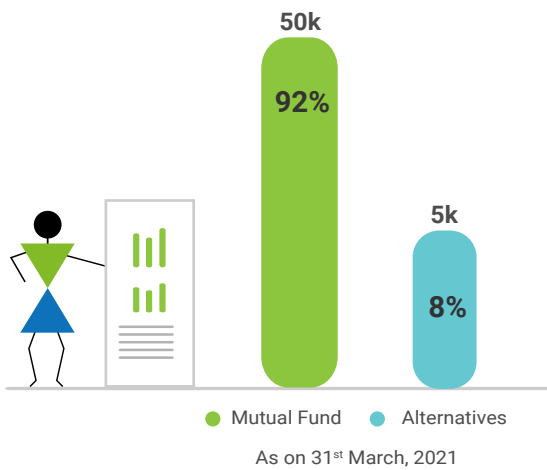
Creating investment solutions that deliver enduring value for you.



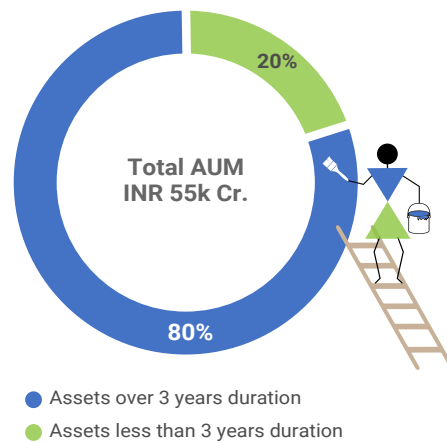
# AMC at a Glance

A proud member of the Edelweiss Group, we are one of India's youngest and fastest growing asset management companies. We believe in listening to our customers, understand their needs and then design solutions for them.

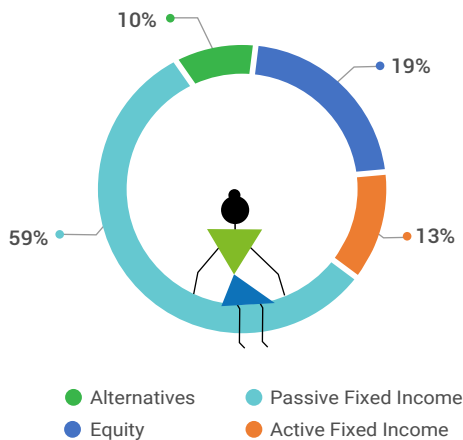
## AUM (Mutual Funds and Alternatives) (in INR Cr.)



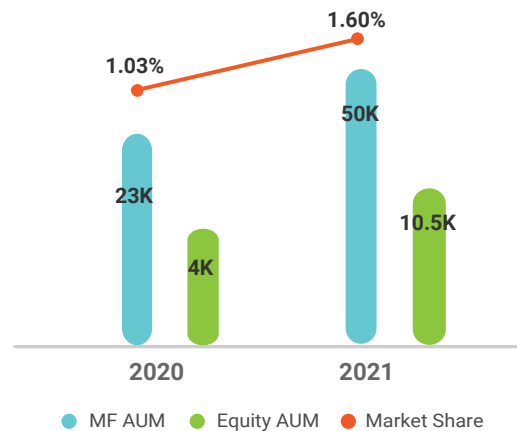
## Long Tenure Assets



## Asset Class Mix

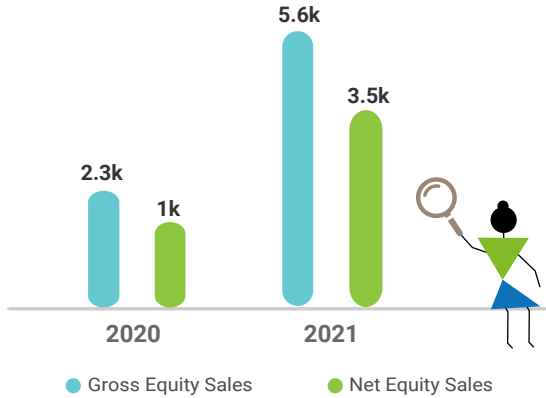


## Asset Under Management (AUM INR Cr.)

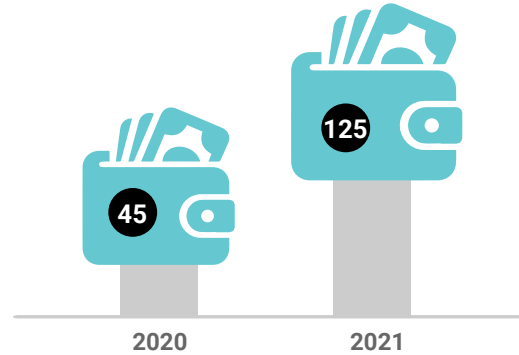




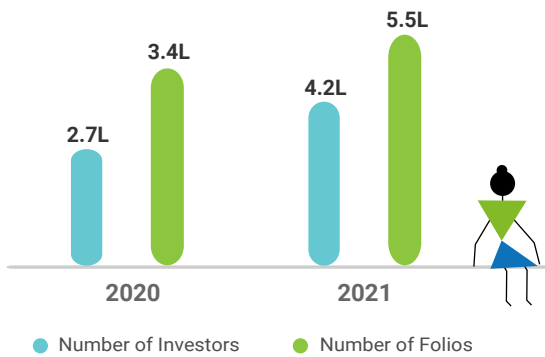
### Equity Sales (in INR Cr.)



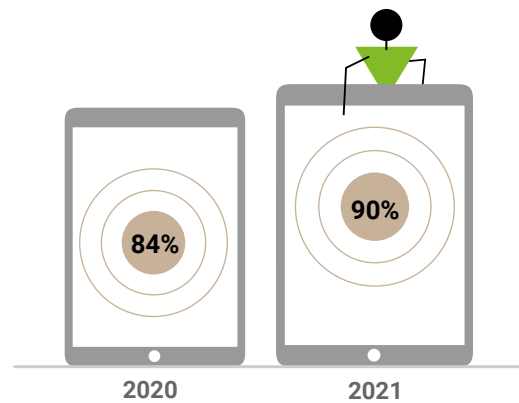
### SIP Book\* (in INR Cr.)



### Investor Growth

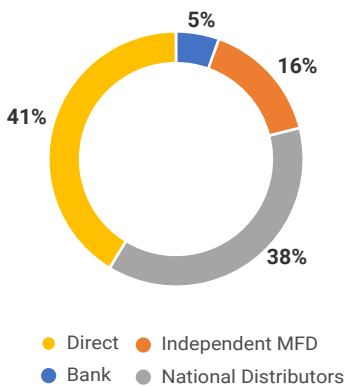


### Digital Transactions

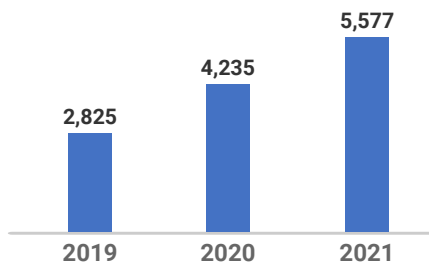


### Distribution Partnerships

#### AUM by Segment

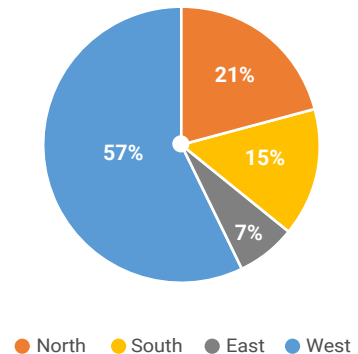


#### Number of Active MFDs



Independent MFD - Mutual Fund Distributors

#### Geographical spread of Independent MFDs



\*SIP book includes systematic investment plan and systematic transfer plan  
Data source : Internal | \*AUM as on March 31, 2021 as per records of the RTA.

For more details on AUM disclosures, please visit this link - <https://content.edelweissmf.com/statutory#AUM>



# Our Solutions

Each investor is different. One solution does not fit everyone. We want to help investors meet their goals and investment needs through our solutions.

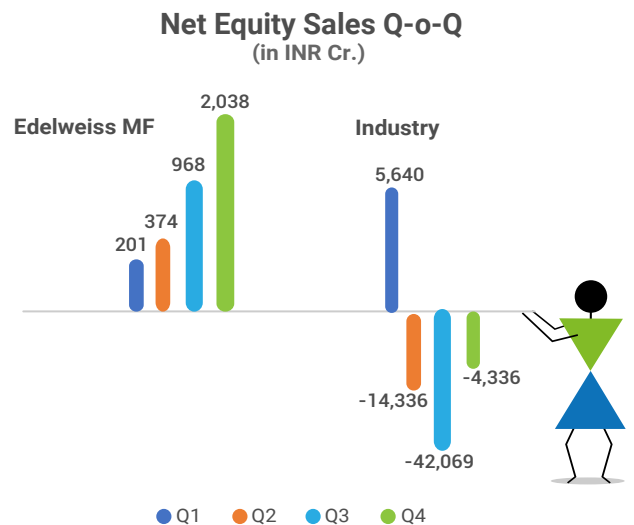
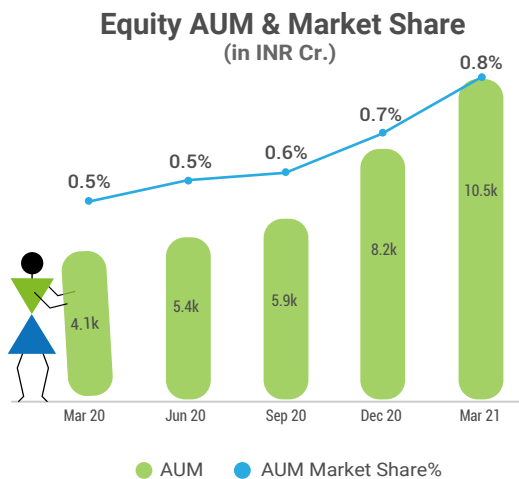


## Equity

Our equity solutions help investors to meet their long term goals. We have a basket of innovative products in both domestic and international equity that are true to their mandate.

Our equity funds have stood the test of time and have consistently delivered good performance. We have maintained the stability of the investment team for more than 10 years.

We are a leading AMC in the international investing space. We have funds covering 80% of world geographies with unique themes. We were the first to launch a thematic fund - Edelweiss US Technology Fund of Fund. Our international funds are launched in partnership with JP Morgan Asset Management.



Data source : Internal | \*AUM as on March 31, 2021 as per records of the RTA. For more details on AUM disclosures, please visit this link - <https://content.edelweissmf.com/statutory#AUM>



## A great year of equity net sales

Raised 3.5k Cr. of equity AUM  
in FY 21 (Industry: INR -55k Cr.)

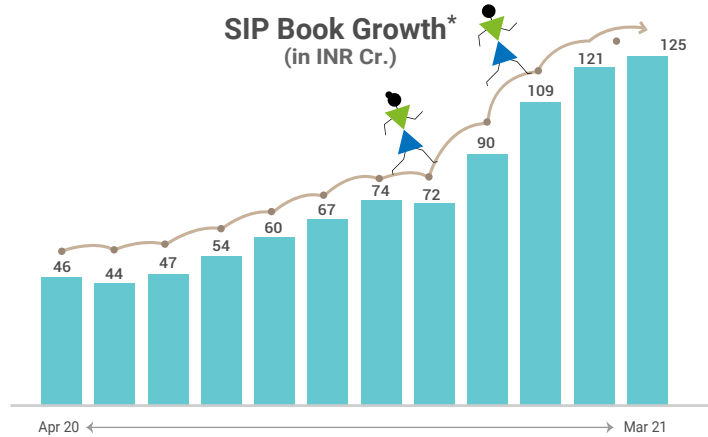


Edelweiss  
INR 3.5k Cr.



Industry  
INR -55.1k Cr.

## SIP Book Growth\* (in INR Cr.)



## Equity Investment Philosophy

We know that when it comes to managing money, it is important to follow a proper process and structure. We believe that it is equally important for our investors to know and understand this process. Our equity investment decisions are guided by our investment philosophy based on three strong pillars - bottom-up stock picking, investing in growth and quality and focus on the long term.

## Hybrid

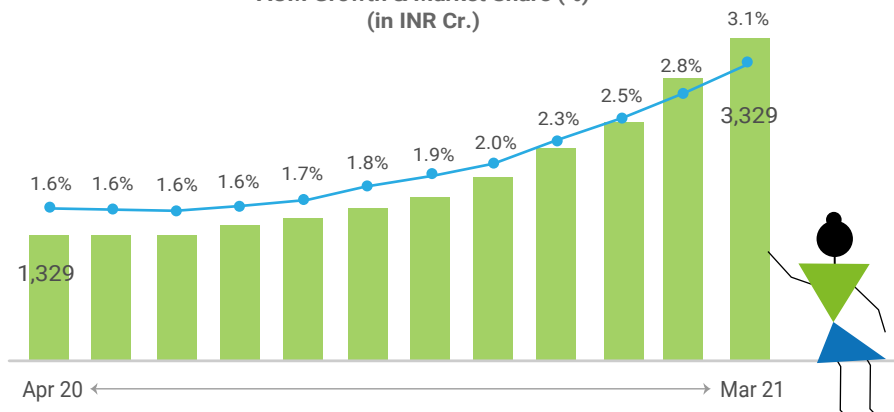
We know that investors need the best of both the worlds, i.e. the growth of equities and the stability of debt. We have a range of hybrid solutions that dynamically manage equity investments based on market conditions. We aim to capture growth of rising markets and protect in falling markets.

### The Edelweiss Balanced Advantage Fund

A unique fund in this category. The past one year has not only protected downside for investors, but also created wealth in the rising, most volatile and uncertain markets.

- INR 3,300 Cr. of AUM
- 10 year track record

## Edelweiss Balanced Advantage Fund - AUM Growth & Market Share (%) (in INR Cr.)



\*SIP book includes systematic investment plan and systematic transfer plan  
Data source : Internal | \*AUM as on March 31, 2021 as per records of the RTA.

For more details on AUM disclosures, please visit this link - <https://content.edelweissmf.com/statutory#AUM>



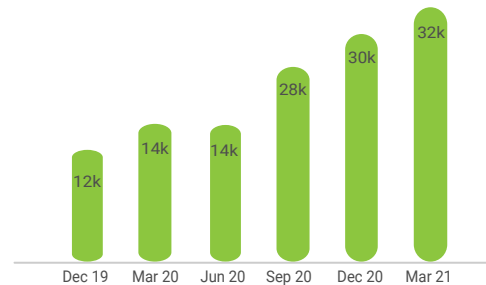
## Fixed Income

We believe that debt passives are very good for investors due to its low-cost structure and transparency of the portfolio. Within this space, Target Maturity Structure will give stable experience to investors who are used to the Fixed Deposit experience. We want to simplify fixed income investing for all investors.

### We have many firsts in the debt passive space.

- First AMC to introduce Corporate Bond ETF.
- First AMC to introduce Target Maturity structure in India
- Launched the Bharat Bond Program in Dec 2019 in partnership with GOI. The program today is 30K+ Cr plus assets.
- Launched Edelweiss PSU SDL Debt Index Fund in March 2020. This fund is 1000 Cr+ AUM now

### Debt Passive AUM (in INR Cr.)



Our market share in debt passives is approximately 90%

### Fixed Income Investment Philosophy

Our philosophy is simple and agile to make sure that we can give investors the stability that they desire from debt investments. We manage money with a **CLEAR** process.

- Avoid **C**redit Risk
- Ensure **L**iquidity
- Ensure synergy with the **E**delweiss principles
- **A**ctively manage funds with care and in line with the investment mandate
- Maintain the perfect balance between **R**isk and reward

## Alternatives

We are one of the oldest players in the Alternative Investment solutions space in India. We focus on providing investment ideas that have fundamentally driven the investment process and seek to deliver returns uncorrelated to traditional investments. We offer well-crafted active equity funds to provide better returns aligned to individual risk.

Edelweiss Alternative Equity Scheme is our flagship fund for over 7 years with a consistent investment philosophy and fund management team. The fund aims to provide absolute return with 3-5 years investment horizon using a multi strategy approach. Edelweiss Catalyst Opportunities Fund is another fund focused on investing in special situation ideas that present change and unlock value in companies. The fund has been in existence since 2018 and has a consistent track record.

Edelweiss Alternative Equity Scheme - **won EurekaHedge Best Indian Hedge Fund in the year 2020.**





## Our Stories



Staying connected with our partners and investors to share knowledge through new age formats is always at the top of our minds. We made sure that physical barriers do not come in the way of these connections. Our Konnect Webinar programme brought in unique speakers from across industries to share life lessons with our community.

**We connected with more than 50K people in the last 6 months.**



Ambi Parameswaran



Captain Raghu Raman



Dhiren Kumar



Dr A Velumani



Mohnish Pabrai



Monika Halan



Ramesh Nair



Sanjeev Bikhchandani



Utpal Sheth



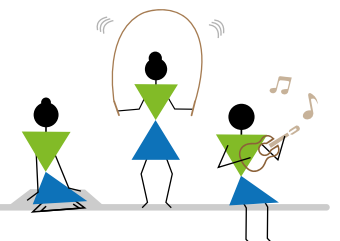
Vijay Kedia

## Community Stories

### Mr. Hiten Shah, MFD – Pune

It is said that a positive mind can win any battle. Today, even as we battle against the pandemic, the Jai Jinendra Pratishthan from Pune decided to tackle it head-on with the power of positivity. It runs a unique **'COVID Isolation Centre'** at Najushree Sanskrutik Bhavan near Gangadham Chowk that is focused on creating an atmosphere of positivity for the COVID patients who have been advised isolation. At the centre, positivity for the mind, body and soul is served through daily yoga sessions, regular fun-filled activities of music, picnics and nutritious food. Additionally, doctors visit the facility daily to monitor the progress of the patients. All of this is given at a reasonable cost which includes visits from the doctor, medicines, various tests, injections and even oxygen if needed. Partial or full exemptions are available for those who cannot afford to pay the lump sum.

Mr. Hiten Shah has been deeply involved in the creation and running of this facility along with other Trust members under the guidance of Mr. Achal Jain. So far, the facility has had zero casualties. **Patients enter the facility scared and anxious, but soon learn to smile and be happy. This is what has helped them beat the virus.**





We are open and transparent about the way we manage our investors money. With that in mind, we hosted an open house, a unique initiative in the AMC industry where our team members spoke to investors on how we manage their money and how did we deliver the growth.

### Simple Communication

We made our communication simple, conversational and free of jargon across all touchpoints. Our account statements, website, transaction and knowledge emailers are simple enough to be understood by anybody.

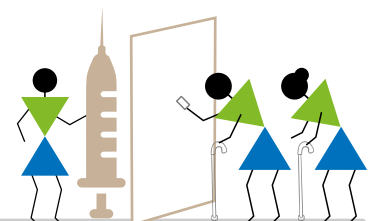


We believe that everyone can benefit from guidance, especially when it comes to making investment decisions. We launched our brand campaign 'Advice Zaroori Hai' to focus on the importance of guidance and advice. We have launched many digital films to communicate this. We will continue to focus on this initiative.

## Community Stories

### Mr. Chetan Gill, MFD – Chandigarh

The pandemic took everyone by surprise. Even today, a year later we know very little about coronavirus. There is a lot of fear and misinformation surrounding the virus and vaccines. It is important to realise that unless everybody around us is safe, not a single person is safe. All of us are connected and will impact each other. Mr. Chetan Gill decided to fight the pandemic by ensuring that people are armed with the right information. Owing to many myths and fears around the COVID vaccination, people are reluctant to get vaccinated. He started educating and motivating people to get vaccinated and in a lot of cases, he helped people with the logistics as well. He influenced around 75+ people from the Mutual Fund industry to get vaccinated – right from the State Head to the Office Assistant across the industry including the R&T employees all by himself. Later, in collaboration with 2 other MFDs – Mr. Kamal Bhalla and Mr. Vikas Batra, they expanded their circle of influence together and reached out to more people as well as told everyone to not just get themselves vaccinated, but spread the word amongst family, friends, employees and even domestic help with the slogan – **“Vaccination for All. No One is Safe till Everyone is Safe”**. Until today's date, they have influenced more than 300 people from Chandigarh to get vaccinated.





## Mr. Nishant Modi, Edelweiss Sales Manager – Pune

The pandemic brought us many challenges. Some were more visible like those related to our health, while others were not so obvious like being prepared for emergencies, not many of us know how to actually put this into action. Nishant, in his capacity is focusing on a very important practical aspect of communicating the right thing at this point of time. He is spreading this message and encouraging families to prepare a financial kit for each family member. He suggested that families should prepare a separate physical folder for each family member which contains their PAN Card copy, Aadhar Card, General Insurance, Health Insurance and some cash. This file can be very helpful in emergencies, especially when one receives RTPCR/Covid Report and it says that you need to be hospitalised. **Given our inability to think straight in such situations, having the relevant documents in the right place can be a source of mental relief. The bottomline is that small things can make a big impact.**



It is our duty to give our investors the best. We recognised and formed partnerships with the right partners from India and abroad to offer our investors unique solutions.



### Partnership with the Government of India (GoI) for Bharat Bond Programme

We launched India's first Corporate Bond ETF and today manage 30K Cr. assets under this program.



### Partnership with JP Morgan

They are one of the world's largest asset managers. We provide a range of international solutions across geographies and themes through them.



### Partnership with MSCI

MSCI is the world's largest index provider. We launched India's first passive fund in the healthcare sector.



We created **Financial Advice Day** in 2019 to celebrate our partners and MFDs focusing on the importance of guidance in making investment decisions.



## Community Stories

### Mrs. Dhanya V R, CFP, MFD – Thiruvananthapuram

During the pandemic, people have had varied basic requirements. From getting cloth masks to having adequate food. Not all families have been able to meet their basic necessities. Many families witnessed financial constraints as they saw a drop or loss of income. Mrs. Dhanya V R, an active member and secretary of the women fellowship run by CSI church in Kovalam, undertook several initiatives during the year to help rural families earn and be self sufficient with food. The group manufactured 1,000 cloth masks for people in rural areas. They also provided food kits to needy families and distributed 25 varieties of vegetable seeds to all families to make them self-sufficient in two months. She has helped 17 families earn an income by getting orders for paper bags during the lockdown. [During the Woman's Day celebration this year, they recognised around 600 COVID-19 warriors like doctors, nurses and cleaning staff.](#)



### Mr. Abhishek Kumar, Edelweiss Sales Manager – Ranchi

The pandemic has not been kind to anyone. It has hit the people on the streets the hardest. They have had to deal with not only the disease itself, but also the scarcity of resources and even hunger. Thus, there was a need to ensure that at least people are not denied their right to have access to the most basic resources i.e. food. Abhishek collaborated with the NGO Round Table and a few other friends to feed around 200-300 people a simple meal of khichdi everyday. Abhishek's friend, who owned a restaurant, volunteered the services of his cooks who helped in putting these meals together. As this initiative gained momentum, they raised funds and started feeding 1,000 people daily. More funds were raised and the team started feeding 10,000 people daily through the lockdown period of 2-3 months under the name 'The CM Kitchen'. [They have fed approximately 5 lakh people through this initiative.](#)





## Letter from CEO

“In the depth of winter,  
I finally learned that within me,  
there was an invincible summer.”

**Over the last 18 months, I have read and re-read these lines written by Albert Camus.**

In a financial services career spanning nearly two decades, never had I imagined that there would be a time when we would spend 12 months working from the confines of our homes. And that it would happen, at scale and virtually glitch free! The last year has not been easy for anyone. Each one of us has had to deal with the emotional impact of either having lost or seeing close friends and colleagues lose their loved ones. And despite the benefits of working from home and interacting on Zoom, the isolation has taken its toll. However, even in the midst of all this, there is a lot to be optimistic about. We have learned to live and work in ways that were previously unimaginable. We have found ways to feel connected while being distanced and to challenge the limits of our own creativity and perseverance. Offline in homes and societies and online on Twitter, we have learned to help each other. We are often urged to see the glass as half full rather than half empty. However, sometimes we should just be grateful to have a glass in the first place. Having said that, between empty and full, I see the glass very much as half-full. And for us in the Mutual Fund business, it is definitely more than half full as we have made a quick and comfortable transition to business as usual in a work from home environment.





## A tale of 5 years

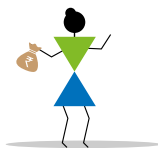
At the end of 2016, Edelweiss Mutual Fund acquired JP Morgan Mutual Fund. This was done with the intention of ramping up our efforts on the Mutual Fund business. Today, we look back on this journey with a lot of affection. Over the last few years, a team of more than 200 people have come together to build an honest asset management business, one that is consistent while being disruptive, responsible and yet young, simple but also innovative. While our journey is still nascent, the scoreboard in the last 5 years shows a heartening picture.



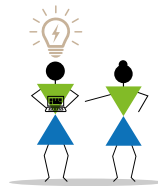
Of all the milestones that we have so far achieved, the expansion in our investor family is the most heartening. We have expanded from approximately 10,000 investors in 2016 to more than 5 lakh people, who trust and invest with this brand today. Our family of distribution partners who are the face of this business all over the country has now expanded to 10,000 with 5,000 actively transacting with us every month. I am reminded of the famous lines by Majrooh Sultanpuri,

“Hum akele hi chale the janib-e-manzil magar,  
Log saath aate gaye aur karwaan banta gaya.”

We have also learnt our fair share in this business and used these foundational years to define what we will stand for. **A few things that stand out for us are:**



Managing other people's money is a responsibility and a privilege. We should say what we do and do what we say.



We are not in the business of products. We are in the business of solving financial problems.



We have to be obsessive about making life easier for the customer.

\*SIP book includes systematic investment plan and systematic transfer plan  
Data source : Internal | \*AUM as on March 31, 2021 as per records of the RTA.  
For more details on AUM disclosures, please visit this link - <https://content.edelweissmf.com/statutory#AUM>



Often, we are told that the AMC business is consolidating and thus, might not provide growth to small players. We firmly disagree. We believe that the Mutual Fund industry is still in its infancy and that all of us have tremendous room to grow. Mutual fund penetration in India is less than 10%, where the world average is 40% in just matching the world, the pie will expand for all of us.

But good things take time and building a good asset management business is definitely a long-term proposition. This is a business that takes years to build, day by day, brick by brick and SIP by SIP.

Rocky reminded us that,

“Every champion is a contender that refuses to give up.”

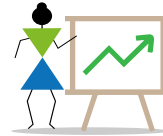
As we prepare for our next leg of growth, a place in the competitive Top 10 club, we carry with us the learnings of the last five years. We know that while there will be good and bad years for markets and the industry, we will definitely not refuse to give up.

## The last year in review

2020 has been a special year for us at Edelweiss Mutual Fund.  
In a year when industry growth was relatively muted.



Our **AUM doubled**, crossing the **INR 50,000 crore**



We had our **best equity year** with **INR 3,500 crore** of net equity sales.

We believe that this growth is a combination of many things over the last five years coming together.



In particular, we have been champions of the Balanced Advantage fund category which will drive strong investor experience. **Backed by a differentiated strategy and performance, Edelweiss BAF more than doubled in assets in FY21.** We also focused on providing access to global investment solutions ahead of the curve, leveraging our partnership with JP Morgan Asset Management and as global investing became more mainstream in India, we benefitted from a significant share of this pie.



Debt passives is a segment we have been first to market in, introducing to India the concept of target maturity funds with Bharat Bond ETF. We believe debt will move the passive way, as these funds bring more transparency and liquidity to debt investing along with lower costs. The target maturity construct can emerge as a very liquid and tax efficient alternative to FD because it offers return predictability traditionally missing in debt funds. Building on the success of Bharat Bond program, [we launched India's first debt index fund, the Edelweiss SDL PSU 2026 Index Fund](#) in the same target maturity structure. It has been very well received. We have a strong product pipeline and ongoing research agenda and truly believe we can be leaders in this space. While many scheme categories will continue to exist, we want to find categories where we can excel. We believe that we have an opportunity in debt passives and solution oriented equity categories.

Strengthening the brand has been a big focus over the last five years and our efforts continue in that direction. We ran a 360 degree campaign to increase awareness of Balanced Advantage Funds as a category, that has aided our brand recall in this space particularly in smaller markets. We also continue to use our investor education brand, #AdviceZarooriHai, reiterating the importance of financial guidance. Through topicals and festivals this campaign has won hearts and awards over the year. As a brand that traditionally connected to distribution partners and customers offline, [moving our flagship offline property #Konnnect online has widened our reach significantly](#). We learnt at home, we learnt at scale and we learnt beyond the traditional domain of investing. Konnect is a property we only intend to take from strength to strength over the years.

Digital was always important to Edelweiss AMC, but this year it took a different meaning. We completed an overhaul of our transaction properties, [making it easier for investors not only to start investing online but also to raise services requests](#) like changing a nominee or a phone number. We also focused on bringing simplicity to the buying process by redoing the way we communicate, not just on our website but in all forms of communication as well. [Product pages talk about our funds without the usual investment jargon, an open discussion of what can go wrong in the investment process](#), and a lot of transparency about what we hold and why we hold, mark an additional step in helping our customers buy right. We also believe this is just the beginning of what we can do to make both investing and learning much easier for customers out of their homes.

Lastly, everything we have done this year belongs to our people. We were quick to adopt the work from home culture last year and having taken a cautious stance about staying at home, till it is safe for our people to return to their offices. [A significant number of our employees got vaccinated at Edelweiss offices, so they feel safe and sound](#). We also have found creative ways to engage, learn from each other and from minds in other industries through our unique programs like Tryst with Brilliance. Whether it is dealers or tech support teams coming to office in the most uncertain times, sales and support people trying to pull off a 10,000+ crore tranche of Bharat Bond 2 in complete lockdown or investment professionals steering ships in uncertain waters without all the technology of the office, [this has been a year where people have risen](#).

I love the lines by Vince Lombardi,

“Winning means you are willing to go longer,  
work harder and give more than anyone else.”

Thank you to the team of Edelweiss AMC, for doing just this.



## The road ahead



A colleague of mine once joked that ten years ago, if anyone of us had said we worked in a mutual fund, most people would have assumed it is the same thing as a bank or not really known what a mutual fund is. I now hear young people on flights talking proudly about how they started an SIP and this is a heartening sign of how mainstream mutual funds have begun. It's also the reason when people ask me whether it was the right thing to move back from the US 10 years ago, I say a resounding yes! This industry has no shortage of opportunities. There is tremendous thinking that can be done in terms of bringing simple new products to solve the needs of investors, Indian solutions created for Indian needs. There is also tremendous innovation we can make in terms of delivery of products and also educating customers in how to use different ideas in our baskets in interesting ways. And while once it was believed that large expansion necessitated a huge physical branch infrastructure to compete in the post-COVID world, each mobile phone is a branch. Players like us have a real opportunity to be meaningful.

Finally, while there has been a lot to smile about in the business, there is no bigger smile than the one that comes from the feedback of our investors. And we are delighted that this family of investors has grown from 2.7 lakh to 5 lakh this year. To every investor who trusts us, thank you.

Team Edelweiss AMC continues its journey to do more and more, to go from good to better and great one day. All of us have seen our share of bad news in the last year, but as a team we have never been as optimistic about what we can build. And in this simple business of asset management, we remind ourselves of these simple two words from the Munnabhai series:

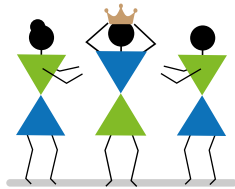
“Lage Raho.”

**Ms. Radhika Gupta**  
Managing Director &  
Chief Executive Officer



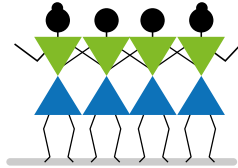
## Our Values

### Customer First



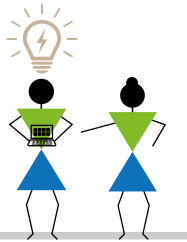
We are about customers. You first, simple.

### One Team



We take care of our biggest asset - our people. We love our team.

### Push Boundaries



We go above and beyond to solve your problems and build solutions for you.

### Be Genuine



We're open and transparent in our communication. We say it like it is, no mumbo jumbo.

### Respect Risk



We manage your hard-earned money with care and honesty.

### Think Digital

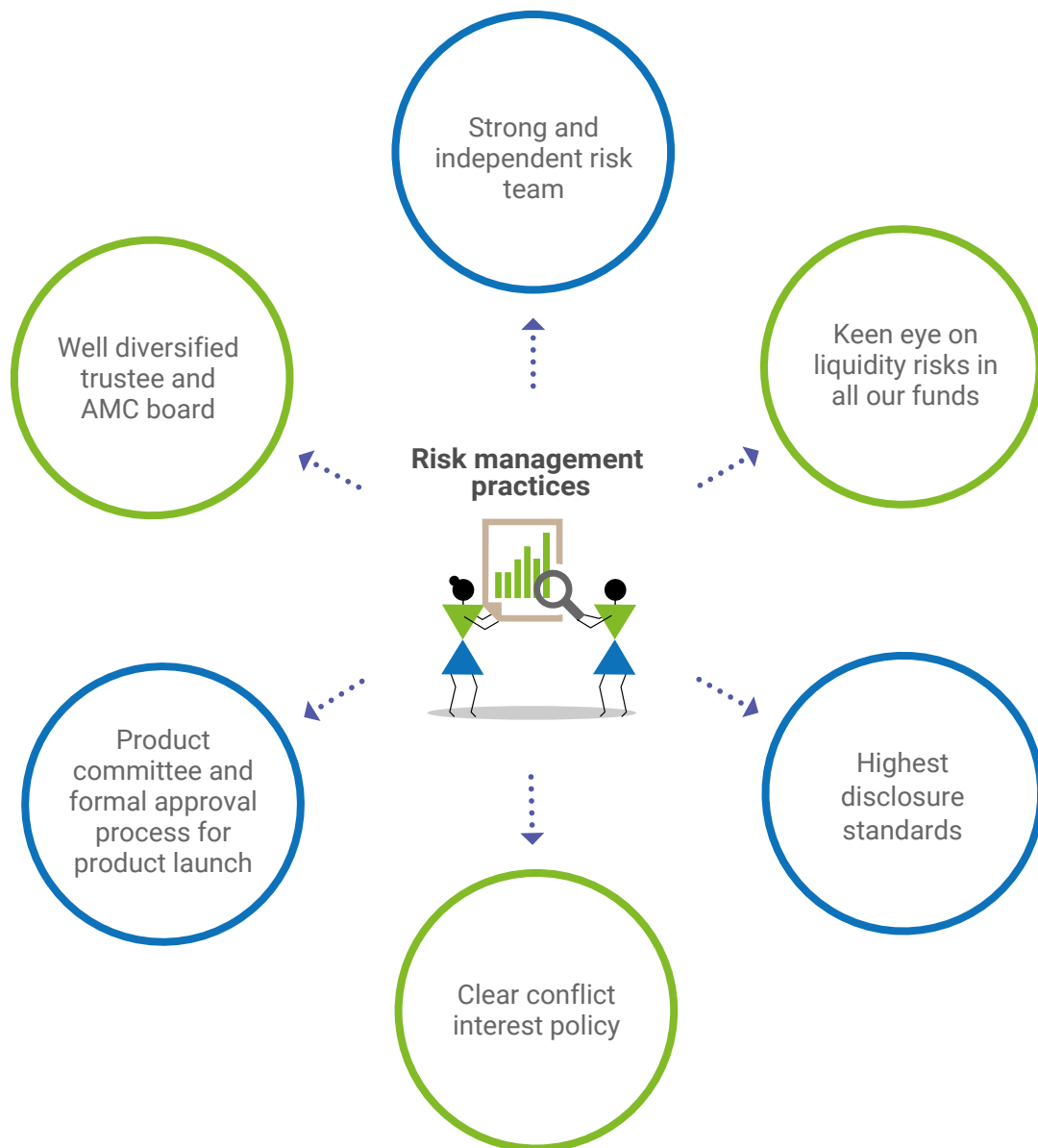


Technology should make your life easier. And we make that happen.



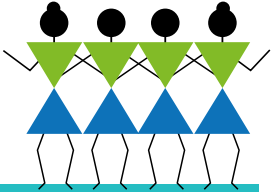
## Risk and Governance

Like everything else in life, investing also carries risk. At Edelweiss AMC, risk management is as important as investment management. One cannot exist without the other.





## Our People



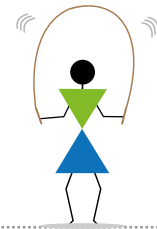
When different assets come together, they build a robust portfolio.

We are the sum of our people. We believe that it is important to go above and beyond for our people.

### Good Health and Well-being

The environment in the last one year has been very challenging. We took the necessary steps to ensure safety and well-being of our people.

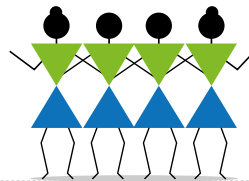
- Covid-19 Helpline
- Counselling Helpline
- Medclaim Insurance
- Early Pay Day
- 24/7 Emergency Calls
- Health focused Webinars



### Diversity and Inclusion

We believe that it is important to create a diverse and inclusive culture where all employees, irrespective of their gender are given an opportunity to learn and grow.

- Mentoring Circle forum for Women Employees
- Writing Her Story - An interactive forum with external women achievers





## Learning and Development

Consistent investment in knowledge always keeps our people prepared. We introduced several training and development programmes to help employees improve their technical and behavioural skills focusing on both professional and personal growth.

- Tryst with Brilliance with leading Industry Experts

- World of Wisdom with Investment Experts



Ashok Kumar



Karan Datta



Kunal Bahl



Neeraj Choksi



Ranveer Allahbadia



Renu Basu



Sandeep Bhandarkar



Tarun Katial



**2,410 hours**  
of Employee  
Engagement Activities



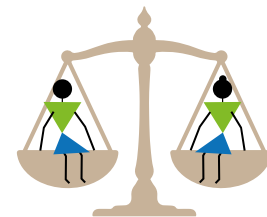
Hired 19 employees  
in FY21

**47%**  
of them are women



**3,877**  
manhours  
of training

Gender  
diversity  
**27%**





## Technology



Technology makes life easier.  
We make that happen.

A few years back being digital meant having an online presence. Today, especially in light of the pandemic being digital means having the ability to do everything from watching a movie online to staying in touch with family and starting a business to making an investment in few seconds.

In FY 20-21, our digital transformation journey gained speed. We enabled our customers, partners and our employees to conduct business as usual. We worked on upgrading our digital platforms, enhanced customer experience by improving business processes and data usage. We also adopted best practices to drive a cultural change within the organisation. We moved to cloud infrastructure that allowed us to scale in a secure and robust manner.

### How did we make this happen?

#### Investors

##### EdelweissMF.com

We completely revamped our website. We made it simple, easy to navigate and quick to find information. We made it visually appealing, introduced simple language to explain funds, made it accessible through multiple devices, made it interactive with more charts, graphs and investment tools.

##### Quickest account creation time

We made the industry's shortest account creation flow, smooth transaction process and easy to raise service tickets online.



## Distribution Partners

Our partners have lot of things to manage. We want to make their life easy. Digital transformation helps them in several ways.

### Galaxy

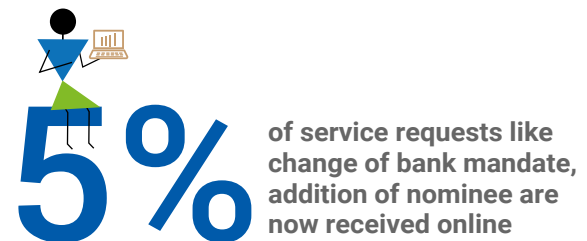
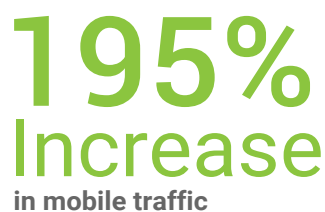
Edelweiss Galaxy is an online platform for our partners. It helps them track, transact and monitor their customers portfolio anytime, anywhere.

- Simple navigation
- Seamless customer onboarding
- A superior experience on mobile

### EdelweissMF store

Partners need help with sharing simple communication with their investors. MF store helps them co-brand all communication we create across different formats personalised with their branding. This helps them stay connected with their investors always.

## Highlights





## Our Team

### MANAGEMENT TEAM



**Ms. Radhika Gupta**  
Managing Director &  
Chief Executive Officer



**Mr. Amit Malpani**  
Chief Financial Officer



**Mr. Abdulla Chaudhari**  
Head - Investor Service



**Ms. Archita Bhutoria**  
Head - Risk



**Mr. Deepak Jain**  
Head - Sales  
Retail & Institutional Business



**Mr. Geroge Jose**  
Head - Operations



**Mr. Manoj Chaudhary**  
Head - Human Resources



**Mr. Niranjn Avasthi**  
Head - Product,  
Marketing & Digital Business



**Mr. Prannav Shah**  
Head - Compliance



**Ms. Rashida Roopawalla**  
Chief Operating Officer



**Mr. Suraj Prakash**  
Chief Technology Officer



## INVESTMENT TEAM - DEBT



**Mr. Dhawal Dalal**  
Chief Investment Officer -  
Fixed Income



**Mr. Gautam Kaul**  
Fund Manager



**Mr. Rahul Dedhia**  
Fund Manager

## INVESTMENT TEAM - EQUITY



**Mr. Harshad Patwardhan, CFA**  
Chief Investment Officer -  
Equity



**Mr. Bharat Lahoti**  
Fund Manager



**Mr. Bhavesh Jain**  
Fund Manager



**Mr. Hardik Verma**  
Fund Manager



**Mr. Harsh Kothari**  
Fund Manager



**Mr. Pratik Dharmshi**  
Fund Manager



## INVESTMENT TEAM - ALTERNATIVES



**Mr. Nalin Moniz, CFA**  
Chief Investment Officer -  
Alternative Equities



**Mr. Nilesh Saha, CFA**  
Fund Manager



**Mr. Utsav Mehta, CFA**  
Fund Manager

## INVESTMENT TEAM - PMS



**Mr. Gautam Berry, CFA**  
Fund Manager



**Mr. Sahil Shah**  
Fund Manager



## BOARD OF DIRECTORS



**Mr. Hemant Daga**



**Mr. Karan Datta**  
Independent Director



**Mr. Manjit Singh**  
Independent Director



**Ms. Radhika Gupta**



**Mr. Suresh Gurumani**  
Independent Director

## BOARD OF TRUSTEES



**Mr. Himanshu Kaji**



**Mr. K. Ramaswamy**



**Mr. Kedar Desai**



**Mr. K. Venugopal**



**Ms. Rubi Arya**



# Product Riskometer

## Edelweiss Balanced Advantage Fund is suitable for investors who are seeking\*:

- To create wealth over long term and prevent capital erosion in medium term
- Investment predominantly in equity and equity related securities including through arbitrage opportunities with balance exposure to debt and money market securities

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them



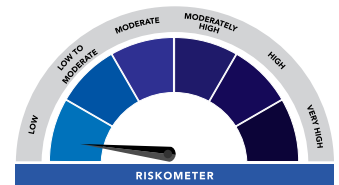
JUNE 2021

Investors understand that their principal will be at High risk

## Edelweiss Arbitrage Fund is suitable for investors who are seeking\*:

- To generate income by predominantly investing in arbitrage opportunities
- Investments predominantly in arbitrage opportunities in the cash and derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments.

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them



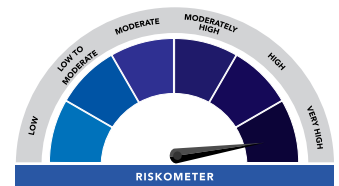
JUNE 2021

Investors understand that their principal will be at Low risk

## Edelweiss US Technology Equity Fund of Fund is suitable for investors who are seeking\*:

- Long Term Capital Growth
- Investments predominantly in JPMorgan Funds – US Technology Fund, an equity oriented fund which invests primarily in US technology companies with strong fundamentals

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them



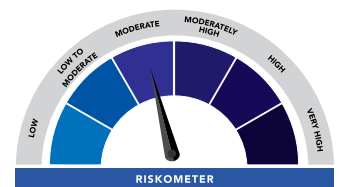
JUNE 2021

Investors understand that their principal will be at Very High risk

## Edelweiss NIFTY PSU Bond Plus SDL Index Fund - 2026 is suitable for investors who are seeking\*:

- Income over long term.
- An open-ended Target Maturity Index Fund that seeks to track the Nifty PSU Bond Plus SDL Apr 2026 50:50 Index.

\* Investors should consult their financial advisers if in doubt about whether the product is suitable for them



JUNE 2021

Investors understand that their principal will be at Moderate risk



## Board's Report

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# Board's Report

To the Members of **Edelweiss Asset Management Limited**

The Directors hereby present their 14th Annual Report on the business, operation and state of affairs of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2021.

## Financial Highlights

The summary of the financial performance of the Company for the financial year ended on March 31, 2021, is given below:  
(Rs. in Million)

Particulars	2020-21	2019-20
<b>Total Income</b>	<b>1,204.07</b>	<b>1,264.25</b>
Total Expenditure	1,156.25	1,251.60
<b>Profit before tax</b>	<b>47.82</b>	<b>12.65</b>
Provision for tax (including Deferred Tax and fringe benefit tax, if any)	0.00	(0.58)
<b>(Loss)/Profit for the year</b>	<b>47.82</b>	<b>12.07</b>
<b>Other Comprehensive Income</b>	<b>2.15</b>	<b>(1.35)</b>
Total Comprehensive Income	49.97	10.72
<b>Reserves and surplus</b>		
Opening Balance	828.61	827.77
Additions during the year	49.97	0.84
Profit available for appropriation	878.58	828.61
<b>Appropriations</b>		
Surplus carried to Balance Sheet	878.58	828.61

## Dividend

Your Directors have not recommended payment of dividend on equity shares for the year ended March 31, 2021.

## Amount Carried to Reserves

No amount is proposed to be transferred to the reserves.

## Information on the state of affairs of the Company

### a. Edelweiss Mutual Fund:

The Company continued to act as Asset Management Company to Edelweiss Mutual Fund ("the Fund").

As on March 31, 2021, the consolidated assets under management of the Fund were Rs. 56,426.08 crores. During the year under review, the investor base of the Fund increased from 3,39,501 folios to 5,51,680 folios.

During the year, the AMC had launched second tranche of Bharat Bond ETFs viz. Bharat Bond ETF – April 2025 and Bharat Bond ETF – April 2031 along with two Fund of Fund Schemes which had in turn invested in the aforesaid Bharat Bond ETFs (2025 and 2031). The New Fund Offers ("NFOs") for Bharat Bond ETF – April 2025, Bharat Bond ETF – April 2031, Bharat Bond FOF - April 2025 and Bharat Bond FOF - April 2031 were opened on July 14, 2020 and closed on June 17, 2020. The Company mobilized approximately Rs. 11,954.41 crores of AUM under the said NFOs. The Company had received approximately 25,678 applications.

Further, the Fund also launched the following Schemes:

- Edelweiss MSCI India Domestic & World Healthcare 45 Index Fund, an Open-ended Equity Scheme replicating MSCI India Domestic & World Healthcare 45 Index which raised Rs. 71.25 crores during its new fund offer period; and
- Edelweiss NIFTY PSU Bond Plus SDL Index Fund – 2026, an open-ended target maturity Index Fund predominantly investing in the constituents of Nifty PSU Bond Plus SDL Apr 2026 50:50 Index which raised Rs. 330.52 crores during its new fund offer period.



## Board's Report *(Continued)*

During the year, the Company continued to strengthen its operations platform by investing in automation and technology for future scalability. All these efforts were rewarded too with the Fund's ranking improving to 15 from 17 last year.

### b. Alternative Investment Funds ("AIF"):

During the year, the Company continued to act as Investment Manager for the following Schemes of AIF:

Name of AIF	Edelweiss Alpha Fund	Edelweiss Multi Strategy Investment Trust	Edelweiss Alternative Investment Opportunities Trust
<b>SEBI Registration No.</b>	IN/AIF3/13-14/0047	IN/AIF3/12-13/0004	IN/AIF2/17-18/0502
<b>Date of SEBI Registration</b>	August 14, 2012	April 17, 2013	November 15, 2017
<b>Category of AIF</b>	Category III	Category III	Category II
<b>Schemes of AIF</b>	Edelweiss Alpha Fund Scheme-1	1. Edelweiss Alternative Equity Scheme	1. Edelweiss Crossover Opportunities Fund
		2. Edelweiss Catalyst Opportunities Scheme	2. Edelweiss Crossover Opportunities Fund – II

As on March 31, 2021, the total AUM under all the AIF Schemes stands approximately at Rs. 2219.04 Crores.

### c. Portfolio Management Services ("PMS"):

During the year, the Company continued to act as Portfolio Manager for the various strategies and as on March 31, 2021, the total AUM under all the Strategies of PMS stands approximately at Rs. 2042.22 Crores.

### d. Industry Performance:

#### Mutual Fund:

Assets managed by the Indian mutual fund industry has increased from Rs. 23.53 trillion in April 2020 to Rs. 32.43 trillion in April 2021. That represents 37.81% increase in assets over April 2020.

The proportionate share of equity-oriented schemes is now 42.4% of the industry assets in April 2021, up from 38.8% in April 2020. The proportionate share of debt-oriented schemes is 30.5% of industry assets in April 2021, down from 31.0% in April 2020. Significant increase in ETF market share from 7% in April 2020 to 9.4% in April 2021.

Individual investors now hold a marginally higher share of industry assets, i.e., 52.6% in April 2021, compared with 52.1% in April 2020 Institutional investors account for 47.4% of the assets, of which corporates are 96%. The rest are Indian and foreign institutions and banks. Equity-oriented schemes derive 88% of their assets from individual investors (Retail + HNI) Institutional investors dominate liquid and money market schemes (85%), debt-oriented schemes (61%) and ETFs, FOFs (90%). Individual investors primarily hold equity-oriented schemes while institutions hold liquid and debt-oriented schemes. 71% of individual investor assets are held in equity-oriented schemes. 71% of institutions assets are held in liquid / money market schemes and debt-oriented schemes. The value of assets held by individual investors in mutual funds increased from Rs.12.25 lac cr. in April 2020 to Rs. 17.06 lac cr. in April 2021, an increase of 39.28%. The value of Institutional assets has increased from Rs.11.28 lac cr. in April 2020 to Rs.15.36 lac cr. in April 2021, an increase of 36.21%.

In the Union Budget for the current fiscal, AMFI had proposed the following key reforms:

- Uniform tax treatment for investments in Mutual Funds Units and ULIPs of Life Insurance companies.
- Uniformity in Taxation on Listed Debt Securities and Debt Mutual Funds.
- Increase in threshold limit of withholding tax (TDS) on Income distribution by Mutual Fund scheme.
- Introduce Debt Linked Savings Scheme (DLSS) to help deepen the Indian Bond Market.
- Simplify taxation provisions of offshore funds managed by Indian portfolio managers.



## Board's Report *(Continued)*

### **Alternate Business:**

Alternative Investment Fund has been in existence for more than 10 years now as SEBI (Alternative Investment Funds) Regulations were notified in 2012. During these years, Category-III AIFs have garnered the most assets under management while the Category II AIFs had the best growth rate in commitment size in the recent past. For the major part of this period, Edelweiss Asset Management Limited has continued to be the leader in providing Alternative Investments solutions to its investors. Currently we have 4 active alternative investment schemes under the category II and Category III. Our flagship strategy namely Edelweiss Alternative Equity scheme has been awarded 'Best Indian Hedge Fund' award for 2020 by EurekaHedge. It has also been featured as the 'Top Performing Emerging Market Focused Hedge Fund' in calendar year 2019 in Preqin's special report on Hedge funds.

SEBI has done a commendable job for all these years in governing the Alternatives landscape in India. The Regulator is continuously seeking feedback from industry participants and working to broad base access, improve the standards of disclosure, create new investment avenues and bring global best practices. The most recent of such positive initiatives was to standardize the structure of the Private Placement Memorandum and benchmarking for the AIFs for which CRISIL is appointed. Increase in effective tax rate due to levy of surcharge, on the other hand, has proved to be a dampener for Category III AIFs that engage in trading strategies. Industry players have often come together with their recommendations in this regard as well on long pending reforms of granting pass-through tax status to Category III AIFs. We strongly believe that flexibility in portfolio construction, shorting and the use of leverage can lead to highly attractive risk-adjusted returns and a very interesting client proposition. With such structural tailwinds in place, the future for Alternatives looks extremely bright.

Portfolio Management Services ("PMS"), unlike AIFs, have existed in India since 1993 and has close to Rs. 19.2 lakh crores of assets under management as of October 31, 2020. PMS industry has seen their assets growing at 19% over the trailing twelve months period. SEBI has introduced a slew of new measures to regulate Portfolio Management services including but not limited to increasing the minimum investment amount, doing away with upfront or set up fees, bringing direct plans for PMS investors like that in mutual funds and standardizing performance reporting methodology. While discretionary PMS continues to remain the stalwart of the Indian Alternatives industry, AIFs have emerged as the fastest growing segment.

### **Share Capital**

As on March 31, 2021, the paid up share capital of the Company stands at Rs. 73,34,32,930 divided into 7,33,43,293 Equity Shares of Rs. 10 each.

During the year, the Company became the wholly owned subsidiary of Edelweiss Financial Services Limited ("EFSL") wherein Ecap Equities Limited transferred its entire holdings in the Company to EFSL.

### **COVID – 19**

The whole world faced a tail risk event with the 2nd wave of Covid-19 pandemic, coupled with lockdowns. This event necessitated unique approaches to mitigate different types of risk. Our advance preparation, along with technology enablement, ensured almost all our critical staff could work from home seamlessly for business continuity and serving customer deliverables.

### **Particulars Of Investments Made, Loans And Guarantees Given Or Securities Provided**

Particulars of loans given, investments made and guarantees given or securities provided if any, are provided in the Financial Statements.

### **Related Party Transactions**

During the financial year under review, all the Related Party Transactions entered into by the Company were on arm's length basis and in the ordinary course of business. All the Related Party Transactions as required under Ind AS - 24 are reported in the Notes to the Financial Statements. Particulars of contracts or arrangements with related parties are provided in Form AOC-2 in Annexure –I.



# Board's Report *(Continued)*

## Directors And Key Managerial Personnel

### i) Independent Directors

The Members of the Company at their 13th Annual General Meeting ("AGM") held on September 25, 2020 regularised the appointment of Mr. Suresh Gurumani (DIN- 00636844), Mr. Manjit Singh (DIN: 03563281) and Mr. Karan Datta (DIN: 08413809) as Independent Directors.

The Independent Directors of the Company, have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 ("the Act").

The Board is of the opinion that the Independent Directors of the Company hold high standards of integrity and possess requisite expertise and experience including the proficiency required to fulfill their duties as Independent Directors.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by The Indian Institute of Corporate Affairs, Manesar ('IICA'). The Independent Directors (as applicable) are also in process of completing the online proficiency self-assessment test conducted by the IICA which is required to be completed within a period of 2 (two) years from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption.

ii) Further, the Board of Directors of the Company at its Meeting held on June 22, 2020 had appointed Ms. Radhika Gupta as a Managing Director and CEO of the Company with effect from July 1, 2020 for a period of three years. The said matter was also approved by the Members of the Company at their 13th AGM held on September 25, 2020.

### iii) Retirement by Rotation of the Directors

Mr. Hemant Daga (DIN: 07783248) retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

### iv) Key Managerial Personnel

Mr. Amit Malpani and Mr. Nirav Sanghavi continue to act as Chief Financial Officer and Company Secretary, respectively, during the year.

## Board of Directors and Number of Board Meetings Held

The Board of Directors of the Company comprises of the following:-

Sr. No.	Name of the Director	Designation
1.	<b>Mr. Hemant Daga</b>	Chairman
2.	<b>Mrs. Radhika Gupta</b>	Managing Director and CEO
3.	<b>Mr. Manjit Singh</b>	Independent Director
4.	<b>Mr. Suresh Gurumani</b>	Independent Director
5.	<b>Mr. Karan Datta</b>	Independent Director

During the year under review, the Board met 4 (Four) times on June 22, 2020, August 10, 2020, October 20, 2020 and February 8, 2021.

## Audit & Risk Committee

The Audit & Risk Committee comprises of the following Directors:

- **Mr. Hemant Daga**
- **Mr. Suresh Gurumani** (Independent Director)
- **Mr. Manjit Singh** (Independent Director)

The terms of reference of the Audit & Risk Committee include the matters specified in Section 177 of the Act.

During the year under review, the Committee met 4 (Four) times on June 22, 2020, August 10, 2020, October 20, 2020 and February 8, 2021.



# Board's Report *(Continued)*

## **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises of the following Directors:

- **Mr. Hemant Daga**
- **Mr. Suresh Gurumani** (Independent Director)
- **Mr. Manjit Singh** (Independent Director)

The terms of reference of the Nomination and Remuneration Committee include the matters specified in Section 178 of the Act.

During the year under review, the Committee met once on June 22, 2020.

## **Remuneration Policy**

The Company has framed Remuneration Policy pursuant to provisions of Section 178 of the Act. The Policy is provided in Annexure II of this Report and is also available on the website of the Company at [www.edelweissmf.com](http://www.edelweissmf.com)

## **Evaluation of the performance of the Board**

A Board Evaluation Policy ("the Policy") for evaluating the performance of the Board, the Chairman, the Executive Directors, the Independent Directors, the Non-Executive Directors and its Committees has been adopted by the Company.

The Policy, inter alia, provides the criteria for performance evaluation such as Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, contribution of the Committees to the Board in discharging its functions, etc.

A separate meeting of the Independent Directors was held during the year under review. Based on the Policy and the Parameters adopted by the Company, the Independent Directors evaluated the performance in line with the requirements of the Act.

## **Internal Financial Controls**

The Company has in place adequate internal financial controls with reference to the Financial Statements.

## **Auditors and Auditor's Report**

In accordance with the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013, the Members at the 11th Annual General Meeting of the Company held on July 25, 2018, had appointed M/s S. R. Batliboi & Co. LLP (Firm Registration No. 301003E/E300005), ("SRB"), as the Auditors of the Company for a term of five years from the conclusion of 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting to be held in the year 2023.

There are no qualifications, reservations or adverse remarks made by the Auditors in their audit report for the Financial Year ended March 31, 2021. Further, there were no frauds reported by the Auditors under Section 143 of the Act during the Financial Year ended March 31, 2021.

## **Secretarial Audit**

The Board had appointed M/s MC & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company, to conduct the secretarial audit for the Financial Year 2020-21. The Secretarial Auditor's Report is annexed as Annexure – III to this Report.

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors in their audit report for the Financial Year 2020-21.

## **Prevention of sexual harassment of women at work place**

The Company has framed a Policy on Prevention of Sexual Harassment of Women at Workplace. During the year under review, no cases were reported under the Policy.



## Board's Report *(Continued)*

### Conservation of energy, technology absorption and foreign exchange earnings / outgo

#### A. Conservation of Energy:

- a) the steps taken or impact on conservation of energy- The operations of the Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- b) the steps taken by the company for utilising alternate sources of energy- Though the operations of the Company are not energy-intensive, the Company shall explore alternative sources of energy, as and when the necessity arises.
- c) the capital investment on energy conservation equipments- Nil.

#### B. Technology Absorption:

- a) the efforts made towards technology absorption- The minimum technology required for the business has been absorbed;
- b) the benefits derived like product improvement, cost reduction, product development or import substitution- Not Applicable
- c) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Applicable
  - the details of technology imported;
  - the year of import;
  - whether the technology has been fully absorbed;
  - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- d) the expenditure incurred on Research and Development- Not Applicable

#### C. Foreign Exchange Earnings and Outgo:

Foreign exchange earnings: Rs. 0.65 Million (Previous year - Nil)

Foreign exchange outgo: Rs. 2.09 Million (Previous year – Nil)

#### Other Disclosures

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013 as there were no transactions on this matter during the year ended March 31, 2021. Further, the Company has not accepted any funds from the Director(s) of the Company during the financial year under review. There were no significant material orders passed by Regulators or Courts or Tribunal which would impact the status of the Company as a going concern and its future operations.

#### Annual Return

Pursuant to provisions of Section 92 (3) read with Section 134(3)(a) of the Act and the Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the Annual Return as on March 31, 2021 is available on the website of the Company at [www.edelweissmf.com](http://www.edelweissmf.com).

#### Risk Management

Audit and Risk Committee of the Company has framed and implemented a Risk Management Policy.

#### Directors' responsibility statement

Pursuant to provisions of Section 134 of the Companies Act, 2013("the Act"), your Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at



## Board's Report *(Continued)*

March 31, 2021 and of the Profit of the Company for the financial year ended on that date;

- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis; and
- v. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Compliances of applicable secretarial standards**

During the year under review, the Company has complied with the applicable secretarial standards issued by Institute of Company secretaries of India on Meeting of Board of Directors and General Meetings.

### **Acknowledgements**

Your Directors acknowledge the valuable assistance, support and guidance provided by the Securities and Exchange Board of India, Reserve Bank of India, Association of Mutual Funds in India, other Regulatory authorities, Company's Bankers, the Custodian, the Registrar, Distributors and the Trustee Company and most importantly, the Investors for their patronage and support.

Your Directors also wish to place on record their sincere appreciation of all the employees for their dedication and

For and on behalf of the Board of Directors

**Edelweiss Asset Management Limited**

Sd/-

**Hemant Daga**

*Chairman*

DIN - 07783248

Mumbai, 26 May 2021



# Board's Report *(Continued)*

## Annexure – I

### Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto: (Currency : Indian rupees)

#### Details of contracts or arrangements or transactions not at arm's length basis: Not Applicable

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangement or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188

#### II. Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. in Million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Edelweiss Broking Limited (Fellow Subsidiary)	Referral and other fees, Commission Brokerage and Marketing promotion Expenses paid to	1 Year	30.41	-	-
2	Edelweiss Securities Limited (Fellow Subsidiary)	Referral and other fees, Commission Brokerage and Marketing promotion Expenses paid to	1 Year	5.82	-	-



## Board's Report *(Continued)*

### II. Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. in Million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
3	Edelweiss Global Wealth Management Limited (Fellow Subsidiary)	Referral and other fees, Commission Brokerage and Marketing promotion Expenses paid to	1 Year	9.69	-	-
4	Edelweiss Financial Services Limited (Holding Company)	Referral and other fees, Commission Brokerage and Marketing promotion Expenses paid to	1 Year	0.23	-	-
5	Edelweiss Financial Services Limited (Holding Company)	Cost reimbursements paid to	1 Year	9.61	-	-
6	Edelweiss Rural and Corporate Services Limited (Fellow Subsidiary)	Cost reimbursements paid to	1 Year	43.39	-	-
7	Edelweiss Global Wealth Management Limited (Fellow Subsidiary)	Cost reimbursements paid to	1 Year	0.39	-	-
8	Edelweiss Retail Finance Limited (Fellow Subsidiary)	Cost reimbursements paid to	1 Year	0.09	-	-
9	Edelweiss Custodial Services Limited (Fellow Subsidiary)	Cost reimbursements paid to	1 Year	5.20	-	-



## Board's Report *(Continued)*

### II. Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. in Million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
10	Edelweiss Securities Limited(Fellow Subsidiary)	Cost reimbursements paid to	1 Year	0.40	-	-
11	ECap Equities Limited(Fellow Subsidiary)	Cost reimbursements paid to	1 Year	0.65	-	-
12	Edelweiss Broking Limited(Fellow Subsidiary)	Cost reimbursements paid to	1 Year	0.62	-	-
13	ECL Finance Limited(Fellow Subsidiary)	Cost reimbursements paid to	1 Year	0.15	-	-
14	Edelweiss Alternative Asset Advisors Limited(Fellow Subsidiary)	Cost reimbursements received from	1 Year	1.15	-	-
15	Edelweiss Asset Reconstruction Company Limited(Fellow Subsidiary)	Cost reimbursements received from	1 Year	1.54	-	-
16	Edelweiss Housing Finance Limited(Fellow Subsidiary)	Cost reimbursements received from	1 Year	0.00	-	-
17	Edelweiss Gallagher Insurance Brokers Limited(Fellow Subsidiary)	Cost reimbursements received from	1 Year	0.20	-	-
18	Edelweiss Finance and Investments Limited(Fellow Subsidiary)	Cost reimbursements received from	1 Year	0.16	-	-



## Board's Report *(Continued)*

### II. Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. in Million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
19	ECap Equities Limited(Fellow Subsidiary)	Advisory fees received from	1 Year	9.04	-	-
20	Edelweiss Alternative Asset Advisors Pte. Limited(Fellow Subsidiary)	Advisory fees received from	1 Year	0.65	-	-
24	Key Management Personnel	Remuneration paid to	1 Year	17.62	-	-
25	Edelweiss Investment Advisors Limited (Fellow Subsidiary)	Trade payables to	1 Year	0.04	-	-
26	Edelweiss Broking Limited(Fellow Subsidiary)	Trade payables to	1 Year	2.18	-	-
27	Edelweiss Rural and Corporate Services Limited (Fellow Subsidiary)	Trade payables to	1 Year	4.04	-	-
28	ECap Equities Limited (Fellow Subsidiary)	Trade payables to	1 Year	0.05	-	-
29	Edelweiss Securities Limited (Fellow Subsidiary)	Trade payables to	1 Year	0.40	-	-
30	Edelweiss Financial Services Limited (Holding Company)	Trade payables to	1 Year	0.44	-	-
31	ECL Finance Limited (Fellow Subsidiary)	Trade payables to	1 Year	0.11	-	-



## Board's Report *(Continued)*

### II. Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. in Million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
32	Edelweiss Alternative Asset Advisors Limited(Fellow Subsidiary)	Trade payables to	1 Year	0.20	-	-
33	Edelweiss Global Wealth Management Limited(Fellow Subsidiary)	Trade payables to	1 Year	0.10	-	-
34	Edelweiss Custodial Services Limited(Fellow Subsidiary)	Trade payables to	1 Year	1.42	-	-
35	Edelweiss Finance and Investments Limited(Fellow Subsidiary)	Trade payables to	1 Year	0.03	-	-
36	ESL Securities Limited(Fellow Subsidiary)	Trade payables to	1 Year	1.44	-	-
37	Edelweiss Trusteeship Company Limited(Fellow Subsidiary)	Trade payables to	1 Year	0.13	-	-
38	Edelweiss Multi Strategy Fund Advisors LLP(Fellow Subsidiary)	Trade payables to	1 Year	0.03	-	-
39	ECap Equities Limited(Fellow Subsidiary)	Advances recoverable in cash or in kind or for value to be received	1 Year	0.00	-	-



## Board's Report *(Continued)*

### II. Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. in Million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
40	Edelweiss Comtrade Limited(Fellow Subsidiary)	Advances recoverable in cash or in kind or for value to be received	1 Year	0.00	-	-
41	Edelweiss Rural and Corporate Services Limited (Fellow Subsidiary)	Advances recoverable in cash or in kind or for value to be received	1 Year	0.13	-	-
42	ECL Finance Limited (Fellow Subsidiary)	Advances recoverable in cash or in kind or for value to be received	1 Year	0.01	-	-
43	Edelweiss Custodial Services Limited (Fellow Subsidiary)	Advances recoverable in cash or in kind or for value to be received	1 Year	0.05	-	-
44	Edelweiss Securities Limited (Fellow Subsidiary)	Advances recoverable in cash or in kind or for value to be received	1 Year	0.05	-	-
45	Edelweiss Global Wealth Management Limited (Fellow Subsidiary)	Advances recoverable in cash or in kind or for value to be received	1 Year	0.30	-	-
46	Edelweiss Gallagher Insurance Brokers Limited (Fellow Subsidiary)	Advances recoverable in cash or in kind or for value to be received	1 Year	0.20	-	-
47	Edelweiss Alternative Asset Advisors Limited(Fellow Subsidiary)	Trade receivables	1 Year	0.00	-	-



## Board's Report *(Continued)*

### II. Details of material contracts or arrangement or transactions at arm's length basis:

(Rs. in Million)

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances, if any
48	Edelweiss Multi Strategy Fund Advisors LLP(Fellow Subsidiary)	Trade receivables	1 Year	0.01	-	-
49	Edelweiss Broking Limited(Fellow Subsidiary)	Trade receivables	1 Year	0.01	-	-
50	Edelweiss Securities Limited(Fellow Subsidiary)	Trade receivables	1 Year	0.00	-	-
51	ESL Securities Limited(Fellow Subsidiary)	Trade receivables	1 Year	0.07	-	-
52	Edelweiss Alternative Asset Advisors Pte. Limited(Fellow Subsidiary)	Trade receivables	1 Year	0.44	-	-
53	Edelweiss Broking Limited(Fellow Subsidiary)	Margin Placed with	1 Year	11.49	-	-
54	Edelweiss Financial Services Limited (Holding Company)	Other payables - ESOP	1 Year	10.51	-	-

Note: figures less than Rs. 5,000 are shown as zero

For and on behalf of the Board of Directors

**Edelweiss Asset Management Limited**

Sd/-

**Hemant Daga**

*Chairman*

DIN - 07783248

Mumbai, 26 May 2021



# Board's Report *(Continued)*

## **Annexure II**

### **Remuneration Policy**

#### **Objective**

The Companies Act, 2013 ('the Act') and the Rules framed there under requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees.

The objective of the Remuneration Policy ('the Policy') of the Company is to provide a framework for the remuneration of the Independent Directors, Non-executive Directors, Managing Director/Executive Directors, KMPs, and other Senior level employees of the Company.

The objective of this Policy is to ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain talent required to run the company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to the Directors, KMPs and senior management comprises a balance fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **Remuneration of the Independent Directors & Non- Executive Directors**

- The Independent Directors & Non-Executive Directors are eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors & Non-Executive Directors are also eligible for commission, subject to limits prescribed under the Act and the Rules framed there under.
- The Independent Directors are not eligible for employees' stock options.
- The Non-Executive Directors shall be eligible for employees' stock options under various Employee Benefit Schemes / Plans of the Holding Company from time to time.

#### **Remuneration of the Managing Director & Executive Directors**

- The remuneration of the Managing Director/Executive Directors is recommended by the Nomination and Remuneration Committee ('NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the remuneration of the Managing Director/Executive Directors, subject to necessary approvals, if any.
- The remuneration paid to the Managing Director/Executive Directors is within the limits prescribed under the Act and approved by the Shareholders of the Company. The remuneration structure includes fixed salary, perquisites, bonus, other benefits and allowances and contribution to Funds, etc.
- The Executive Directors shall be eligible for employees' stock options under various Employee Benefit Schemes / Plans of the Holding Company from time to time.

#### **Remuneration of the KMP (other than Executive Directors) and Senior level employees**

- The key components of remuneration package of the KMP (other than Executive Directors) and Senior level employees shall comprise of fixed salary, perquisites, annual bonus, other benefits and allowances and contribution to Funds, etc.
- They shall be eligible for employees' stock options under various Employee Benefit Schemes / Plans of the Holding Company from time to time.



## Board's Report *(Continued)*

### **Policy Review**

- The Policy may be amended as may be necessary.
- The NRC shall implement the Policy, and may issue such guidelines, procedures, etc as it may deem fit.

Mumbai, 26 May 2021

For and on behalf of the Board of Directors

**Edelweiss Asset Management Limited**

**Sd/-**

**Hemant Daga**

*Chairman*

DIN - 07783248



# Board's Report *(Continued)*

## **Annexure – III**

### **Secretarial Audit Report**

#### **For The Financial Year Ended 2020-21**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

#### **Edelweiss Asset Management Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by EDELWEISS ASSET MANAGEMENT LIMITED hereinafter called "**The Company**". Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined on test check basis the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; Not Applicable
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and Not Applicable
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- vi. Other laws as may be applicable specifically to the company are annexed as Annexure I.



## Board's Report *(Continued)*

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standard 1 and Secretarial Standard 2 issued by The Institute of Company Secretaries of India vide its notification no. 1 (SS) dated April 23, 2015, effective from July 1, 2015 and revised from time to time.
- ii. The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange with respect to listing of units of Edelweiss Mutual Fund Schemes;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

There were no instances where any Board Member dissented to the agenda matters that were presented. All matters were approved unanimously.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has specific events/actions which are attached to the report as Annexure II.

**For MC & Associates  
Practicing Company Secretaries**

**Sd/-**

**Miten Chawda**

FCS No: 6949

C P No: 11625

UDIN: F006949C000388759

Place: Mumbai

Date: May 26, 2021

Note: Parawise details of the Audit finding, if necessary, may be placed as annexure to the report.



# Board's Report *(Continued)*

## Annexure I

List of other laws applicable to the Company

1. Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
2. Securities and Exchange Board of India (Portfolio Managers) Regulations, 2020;
3. Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012; and
4. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Annexure II

### List of Specific Events

Sr. No	Remarks	Board of Directors Approval date / noting date	Members Approval date
1.	Appointment of Mr. Karan Datta as an Independent Director of the Company.	Circular Resolution dated May 21, 2020 noted at Board Meeting held on June 22, 2020. (Appointment effective from May 23, 2020)	September 25, 2020
2.	Appointment of Ms. Radhika Gupta as Managing Director and Chief Executive Officer.	22.06.2020 (Appointment effective from July 1, 2020)	September 25, 2020
3.	Appointment of Mr. Pranav Shah as Head – Compliance.	Approved in the Board Meeting held on June 22, 2020 and effective from August 1, 2020	NA
4.	Resignation of Mr. Anurag Madan as a Director of the Company.	Circular Resolution dated August 28, 2020 noted at Board Meeting held on October 20, 2020. (Resignation is effective from August 25, 2020)	NA
5.	Consider shifting of Corporate Office of the Company, Head Office and Official Point of Acceptance of transactions of the Schemes of Edelweiss Mutual Fund.	Circular Resolution dated December 08, 2020 noted at Board Meeting held on February 08, 2021.	NA
6.	Approval for change in place of keeping books of accounts and papers of the Company.	Circular Resolution dated December 08, 2020 noted at Board Meeting held on February 08, 2021.	NA

This report is to be read with our letter of even date which is annexed as Annexure- III and forms an integral part of this report.



# Board's Report *(Continued)*

## **Annexure-III**

To,

The Board of Directors,

### **Edelweiss Asset Management Limited**

Edelweiss House, off C.S.T Road, Kalina Mumbai MH 400098

Dear Sirs,

The report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Thanking you.

Yours faithfully,

For **MC & Associates**

**Practicing Company Secretaries**

**Sd/-**

**Miten Chawda**

FCS No: 6949

C P No: 11625

Place: Mumbai

Date: May 26, 2021



## Management Discussion and Analysis

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# Management Discussion and Analysis

## Financial Review

- Our Company's Profit After Tax (PAT) grew by 296.19% over FY19-20 and stood at Rs. 47.82 million in FY 20-21.
- The Total Revenue for FY20-21 closed at Rs. 1204.07 million.
- The Operating Profit (Profit Before Tax less other income) grew by 220.94% to Rs. 23.30 million in FY 20-21.
- PAT as a percentage of Annual Average AUM stood at 0.01%.
- The Company's Networth increased by 3.20% to Rs. 1612.01 million in FY 20-21.

## Financial Performance With Respect To Our Operations

The financial statements of Edelweiss Asset Management Limited ('the Company') are prepared in compliance with the Companies Act, 2013 and Indian Accounting Standards, Rules 2015.

The Company had adopted Ind AS with effect from April 01, 2018. Effective April 01, 2019, the Company has adopted Ind AS 116 - Leases and applied it to all lease contracts existing on April 01, 2019 using the modified retrospective method. Further details of the same have been disclosed in note 35 to the financial statements.

Significant accounting policies used for the preparation of the financial statements are disclosed in the note 1 to the financial statements.

## Covid-19 Pandemic

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 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 mutual 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.

The following table sets forth selected financial information from our Statement of Profit and Loss for FY 20 21 and FY 19-20.

Rs. (in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	% change
Revenue from Operations	1,179.55	1,258.86	-6.30%
Other Income	24.52	5.39	354.92%
<b>Total Income</b>	<b>1,204.07</b>	<b>1,264.25</b>	<b>-4.76%</b>
Finance Cost	6.89	17.01	-59.49%
Employee benefits expense	611.77	461.47	32.57%
Depreciation, amortisation and impairment	30.01	55.05	-45.49%
Other expenses	507.58	718.07	-29.31%
<b>Total Expenses</b>	<b>1,156.25</b>	<b>1,251.60</b>	<b>-7.62%</b>
<b>Profit before Tax</b>	<b>47.82</b>	<b>12.65</b>	<b>278.02%</b>
Tax Expenses	-	0.58	-100.00%
<b>Profit after Tax</b>	<b>47.82</b>	<b>12.07</b>	<b>296.19%</b>



# Management Discussion and Analysis *(Continued)*

## **Revenue from Operations**

Revenue from operations comprises of investment management fees from the Mutual Fund, Alternative Investment Funds, portfolio management services, advisory fees and fair valuation gain/loss. This decreased from Rs. 1,258.86 million in FY 19-20 to Rs. 1,179.55 million in FY 20-21, due to decrease in advisory income. Advisory Income decreased from Rs. 180 million in FY 19-20 to Rs. 10 million in FY 20-21. This decrease was setoff to an extent by an increase in Mutual Fund fee led by increase in the Annual Average AUM of Mutual Fund schemes and fair valuation gains.

## **Other Income**

Our Other income increased by 354.92% from Rs. 5.39 million in FY 19-20 to Rs. 24.52 million in FY 20-21, primarily because of interest on Income Tax refund during the year.

## **Finance Costs**

Finance Costs is on account of adoption of IND AS 116, where the future lease payments are discounted to its present value and are un-wound subsequently, resulting in finance cost.

## **Employee Benefits Expenses**

Our employee benefits expenses increased by 32.57% from Rs. 461.47 million in FY 19-20 to Rs. 611.77 million in FY 20-21, in particular, due to an increase in variable cost provision in FY 20-21 for 2 years i.e. FY 19-20 as well as FY 20-21 also.

## **Depreciation, Amortization and Impairment**

Our Depreciation, Amortization and Impairment decreased from 55.05 million in FY 19-20 to Rs. 30.01 million in FY 20-21, primarily due to Ind AS 116 - Leases, where Right of Use assets are created and are subsequently depreciated using the straight line method. Our Company has cancelled one long term lease during the year which resulted into decrease in expenses.

## **Other Expenses**

Our other expenses decreased by 29.31% from Rs. 718.07 million in FY 19-20 to Rs. 507.58 Crore in FY 20-21 primarily due to a decrease mainly in Commission & Brokerage expenses, Advertising and business promotion expenses, Printing & stationery and Travelling & Conveyance expenses and fair valuation loss.

## **Profit Before Tax**

Our Profit Before Tax increased by 278.02% to Rs. 47.82 million in FY 20-21 from Rs. 12.65 million in FY 19-20.

## **Tax Expenses**

No provision for tax is considered considering the brought forward tax losses.

## **Profit After Tax**

As a result of the factors outlined above, Our Profit After Tax increased by 296.19% to Rs. 47.82 million in FY 20-21 from Rs. 12.07 million in FY 19-20.



# Management Discussion and Analysis *(Continued)*

## Statement of Assets and Liabilities

The following table sets forth our selected financial information from our Balance Sheet as at March 31, 2021 and March 31, 2020.  
Rs. (in million)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>		
Financial Assets	1,020.35	624.89
Non Financial Assets	951.62	1,223.50
<b>Total Assets</b>	<b>1,971.97</b>	<b>1,848.39</b>
<b>Liabilities and Equity</b>		
Financial Liabilities	307.66	243.77
Non Financial Liabilities	52.30	42.58
<b>Total Liabilities</b>	<b>359.96</b>	<b>286.35</b>
<b>Total Equity</b>	<b>1,612.01</b>	<b>1,562.04</b>
<b>Total Liabilities and Equity</b>	<b>1,971.97</b>	<b>1,848.39</b>

## Financial Assets

### Investments

Investments of the Company grew from Rs. 429.99 million in FY 19-20 to Rs. 747.11 million in FY 20-21. All the investments are carried at fair value through Profit and Loss.

### Non Financial Assets

Non Financial Assets have decreased from Rs. 1,223.50 million in FY 19-20 to Rs. 951.62 million in FY 20-21. This decrease is primarily due to refund of income tax during the FY 20-21 and reversal of Right of Use assets on account of cancellation of Lease.

### Financial Liabilities

Financial Liabilities have increased from Rs. 243.77 million in FY 19-20 to Rs. 307.66 million in FY 20-21. This increase is primarily due to provision for employee benefits payable as on reporting date.

### Total Equity

Total Equity has increased mainly due to higher retained earnings. Retained earnings represents the surplus profits.

## Key Financial Ratios

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	% change
Annual Average AUM (Rs. in Crore)	4,54,672.38	2,01,427.84	126
Profit After Tax as a % of Annual Average AUM	0.011	0.006	76
Current Ratio (times)	3.32	2.56	29.38
Operating Profit Margin (%)	1.98	0.58	242.52
Net Profit Margin (%)	3.97	0.95	315.99

Note: Inventory Turnover Ratio is not applicable to the Company. Further, Interest Coverage Ratio and Debt Equity Ratio have not been presented as the Company is debt free as at March 31, 2021. The finance costs appearing in the Statement of Profit and Loss is a result of accounting treatment under Ind AS 116 – Leases and accordingly, there is no obligation on the Company to service any interest cost.



## Management Discussion and Analysis *(Continued)*

### Return On Network (Computed On Average Network)

Rs. (in million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020	% change
Networth at the Beginning of the Year	1,562.04	1,561.20	0.03
Networth at the End of the Year	1,612.01	1,562.04	3.20
Average Network	1,587.03	1,561.62	1.63
Profit after Tax	47.82	12.07	296.19
Return on Average Network (%)	3.01	0.77	289.85

### Internal control systems and their adequacy

The Company has instituted adequate internal control systems commensurate with the nature of its business and the size of its operations. This provides a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls and compliance with applicable laws and regulations. The Audit Committee and Risk Management Committee are responsible for overseeing the risk management framework, reviewing the key risks and mitigation strategies, and ensuring the effectiveness of risk management policies and procedures. The Management is also responsible for ensuring that the risk management framework is effectively implemented within all areas of their respective functions.

The Company has appointed Aneja & Associates to oversee and carry out an internal audit of its activities. It carries out internal control reviews and provides an independent report to the Audit Committee on the adequacy and effectiveness of the risk management and internal controls of the organisation. All significant audit observations and follow-up actions thereon are periodically reported to the Audit Committee and closely monitored for effective implementation.

S.R. Batliboi & Co LLP, the statutory auditors of the Company has audited the financial statements included in this annual report and has issued as a part of Auditor's Report, an attestation report on our internal financial controls with reference to the financial statements (as defined in section 143 of Companies Act, 2013). Based on its evaluation, our audit committee has concluded that, as of March 31, 2021, our internal financial controls were adequate and operating effectively.



## Financial Statements

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# Independent Auditor's Report

To the Members of Edelweiss Asset Management Limited

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Edelweiss Asset Management Limited

#### Report on the Audit of the Financial Statements

##### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the 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 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 financial statements.

##### Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 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.

##### Responsibility of Management for the 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



# Independent Auditor's Report *(Continued)*

To the Members of Edelweiss Asset Management Limited

In preparing the 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 financial statements, including the disclosures, and whether the 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.



# Independent Auditor's Report *(Continued)*

To the Members of Edelweiss Asset Management Limited

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid 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 financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position (Refer note 31(iii) to the Financial Statements);
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses (Refer note 43 to the Financial Statements);
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**

**Partner**

Membership Number:102102

UDIN: 21102102AAAAJV1503

Mumbai, May 26, 2021



# Independent Auditor's Report *(Continued)*

To the Members of Edelweiss Asset Management Limited

## **Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory**

### **Requirements" of our Report of even date**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and audit procedures performed, there are no immovable properties, included in property, plant and equipment/ fixed assets of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us and audit procedures performed, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and audit procedures performed, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of employees' state insurance, sales-tax, service tax, value added tax duty of custom and duty of excise.
- (b) According to the information and explanations given to us and audit procedures performed, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of employees' state insurance, sales-tax, service tax, value added tax duty of custom and duty of excise.
- (c) According to the information and explanations given to us and audit procedures performed, there are no dues of income tax, service tax, provident fund, Goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) The Company has not taken any loans or borrowings from financial institution, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable. Hence not commented upon.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer, hence not commented upon.



# Independent Auditor's Report *(Continued)*

To the Members of Edelweiss Asset Management Limited

- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management and based upon the audit procedures performed, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion, the Company is not a nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management and audit procedures performed, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us and audit procedures performed, the Company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

For **S.R. Batliboi & Co. LLP**

**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**

**Partner**

Membership Number:102102

UDIN: 21102102AAAAJV1503

Mumbai, May 26, 2021



# Independent Auditor's Report *(Continued)*

To the Members of Edelweiss Asset Management Limited

## **Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of Edelweiss Asset Management Limited**

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

#### **To the Members of Edelweiss Asset Management Limited**

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

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, 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 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, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these 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 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 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 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 financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these 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.



# Independent Auditor's Report *(Continued)*

To the Members of Edelweiss Asset Management Limited

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 financial statements and such internal financial controls over financial reporting with reference to these 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 **S.R. Batliboi & Co. LLP**

**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

**per Shrawan Jalan**

**Partner**

Membership Number:102102

UDIN: 21102102AAAAJV1503

Mumbai, May 26, 2021



# Balance Sheet

(Currency: Indian rupees in millions)

	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Financial assets</b>			
(a) Cash and cash equivalents	2	87.29	24.57
(b) Trade receivables	3	161.54	120.34
(c) Loans	4	-	1.03
(d) Investments	6	747.11	429.99
(e) Other financial assets	7	24.41	48.96
		<b>1,020.35</b>	<b>624.89</b>
<b>Non-financial assets</b>			
(a) Current tax assets (net)	8	32.50	186.51
(b) Deferred tax assets (net)	9	-	-
(c) Property, Plant and Equipment	10	12.49	26.37
(d) Right to use assets	10	48.18	105.05
(e) Other Intangible assets	10	729.08	723.49
(f) Other non- financial assets	11	129.37	182.08
		<b>951.62</b>	<b>1,223.50</b>
<b>TOTAL ASSETS</b>		<b>1,971.97</b>	<b>1,848.39</b>
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
(a) Payables			
(l) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12	85.09	118.58
(b) Lease liabilities	35	54.63	124.11
(c) Other financial liabilities	13	167.94	1.08
		<b>307.66</b>	<b>243.77</b>
<b>Non-financial liabilities</b>			
(a) Provisions	14	7.73	11.26
(b) Other non-financial liabilities	15	44.57	31.32
		<b>52.30</b>	<b>42.58</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	733.43	733.43
(b) Other equity	17	878.58	828.61
		<b>1,612.01</b>	<b>1,562.04</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,971.97</b>	<b>1,848.39</b>
The accompanying notes are an integral part of these financial statements 1 - 46			
This is the Balance Sheet referred to in our report of even date			

For **S.R. Batliboi & Co LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**  
Partner  
Membership No: 102102

For and on behalf of the Board of Directors

**Hemant Daga**  
Director  
DIN - 07783248

**Suresh Gurumani**  
Director  
DIN - 00636844

**Radhika Gupta**  
Managing Director and CEO  
DIN - 02657595

**Nirav Sanghavi**  
Company Secretary

**Amit Malpani**  
Chief Financial Officer



# Statement of Profit and Loss

(Currency: Indian rupees in millions)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from operations</b>			
Interest income	18	29.99	15.31
Fee and commission income	19	1,084.91	1,243.55
Net gain on fair value changes	20	64.65	-
<b>Total Revenue from operations</b>		<b>1,179.55</b>	<b>1,258.86</b>
<b>Other income</b>	21	<b>24.52</b>	<b>5.39</b>
<b>Total Revenue</b>		<b>1,204.07</b>	<b>1,264.25</b>
<b>Total Expenses</b>			
Finance costs	22	6.89	17.01
Net loss on fair value changes	20	-	44.92
Employee benefits expense	23	611.77	461.47
Depreciation, amortisation and impairment	10	30.01	55.05
Other expenses	24	507.58	673.15
<b>Total expenses</b>		<b>1,156.25</b>	<b>1,251.60</b>
<b>Profit before tax</b>		<b>47.82</b>	<b>12.65</b>
<b>Tax expenses:</b>			
Current tax		-	-
MAT credit reversal		-	0.58
<b>Profit after tax</b>		<b>47.82</b>	<b>12.07</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain / (loss) on defined benefit plans (OCI)		2.15	(1.35)
<b>Other Comprehensive Income</b>		<b>2.15</b>	<b>(1.35)</b>
<b>Total Comprehensive Income</b>		<b>49.97</b>	<b>10.72</b>
Earnings per equity share (Face value of INR 10 each):			
(1) Basic	25	0.65	0.16
(2) Diluted		0.65	0.16
The accompanying notes are an integral part of these financial statements	1 - 46		
This is the Statement of Profit & Loss referred to in our report of even date			

For **S.R. Batliboi & Co LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**  
Partner  
Membership No: 102102

Mumbai, 26 May 2021

For and on behalf of the Board of Directors

**Hemant Daga**  
Director  
DIN - 07783248

**Nirav Sanghavi**  
Company Secretary

Mumbai, 26 May 2021

**Suresh Gurumani**  
Director  
DIN - 00636844

**Amit Malpani**  
Chief Financial Officer

**Radhika Gupta**  
Managing Director and CEO  
DIN - 02657595



# Cash Flow Statement

(Currency: Indian rupees in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A Cash flow from operating activities</b>		
Profit before tax	47.82	12.65
Adjustments for		
Depreciation and amortisation expense	15.11	19.07
Depreciation and amortisation expense on ROU assets	14.90	35.98
Realised fair value Loss on financial instruments	5.94	28.44
UnRealised fair value (Gain)/Loss on financial instruments	(70.59)	16.48
Loss on sale/write-off of fixed assets	6.81	0.02
(Profit) on Termination of Lease- INDAS 116 and Lease waiver	(16.30)	-
Gratuity and compensated expenses	3.82	7.57
Interest income	(29.99)	(15.31)
Interest expense	6.88	17.01
<b>Operating cash flow before working capital changes</b>	<b>(15.60)</b>	<b>121.91</b>
Adjustments for		
(Increase)/Decrease in trade receivables	(41.20)	7.39
Decrease in Other Financial/Non Financial Assets	77.26	122.71
Decrease/(Increase) in loans and advances	1.03	(10.51)
(Increase)/Decrease in Trade payable	(33.49)	30.40
Decrease in liabilities and provisions	174.91	57.21
<b>Cash generated from / (used in) operations</b>	<b>162.91</b>	<b>329.11</b>
Taxes refund received / (paid) (net of refunds)	154.01	(42.24)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>316.92</b>	<b>286.87</b>
<b>B Cash flow from investing activities</b>		
Purchase of tangible and intangible assets	(15.25)	(164.80)
Proceeds from sale of tangible and intangible assets	1.62	1.46
Purchase of current and non-current investments	(896.70)	(669.95)
ROU Asset/Lease Liabilities	(11.21)	-
Proceeds from Sale/redemption of current and non-current investments	661.57	580.48
Interest received	12.65	15.31
<b>Net cash generated from investing activities - B</b>	<b>(247.32)</b>	<b>(237.50)</b>



## Cash Flow Statement *(Continued)*

(Currency: Indian rupees in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>C Cash flow from financing activities</b>		
Borrowings received / (repaid)	-	(55.65)
Interest paid on borrowings	-	(2.02)
Interest paid on lease and others	(6.88)	(14.99)
<b>Net cash (used in) / generated from financing activities - C</b>	<b>(6.88)</b>	<b>(72.66)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>62.72</b>	<b>(23.29)</b>
Cash and cash equivalents as at the beginning of the year	24.57	47.86
Cash and cash equivalents as at the end of the period	87.29	24.57

### Notes:

- 1 Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.
- 2 Purchase of tangible and intangible assets includes movements of Capital Work-in-Progress and capital expenditure during the year.
- 3 Cash receipts and payments for transaction with group companies in which the turnover is quick, the amounts are large, and the maturities are short are presented on net basis in accordance with Ind AS-7 Statement of Cash Flows.

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

For **S.R. Batliboi & Co LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**  
Partner  
Membership No: 102102

Mumbai, 26 May 2021

For and on behalf of the Board of Directors

**Hemant Daga**  
Director  
DIN - 07783248

**Nirav Sanghavi**  
Company Secretary

Mumbai, 26 May 2021

**Suresh Gurumani**  
Director  
DIN - 00636844

**Amit Malpani**  
Chief Financial Officer

**Radhika Gupta**  
Managing Director and CEO  
DIN - 02657595



# Statement of changes in Equity

(Currency: Indian rupees in millions)

Equity share capital		
Balance at the beginning of the reporting period (April 01 2020)	Changes in equity share capital	Balance at the end of the reporting period (March 31, 2021)
<b>733.43</b>	-	<b>733.43</b>
Balance at the beginning of the reporting period (April 01, 2019)	Changes in equity share capital	Balance at the end of the reporting period (March 31, 2020)
733.43	-	733.43

Other Equity					
	Reserves and Surplus				Total
	Capital Reserve	Securities Premium Account	ESOP reserve	Retained earnings	
<b>Balance at March 31, 2019 (Ind AS)</b>	<b>117.47</b>	<b>1,010.32</b>	<b>10.34</b>	<b>(310.36)</b>	<b>827.77</b>
Ind AS adjustments	-	-	-	-	-
<b>Balance at March 31, 2019 (Ind AS)</b>	<b>117.47</b>	<b>1,010.32</b>	<b>10.34</b>	<b>(310.36)</b>	<b>827.77</b>
Profit or loss	-	-	-	12.07	12.07
Ind AS adjustments (Refer Note 35)	-	-	-	(9.88)	(9.88)
Other comprehensive income	-	-	-	(1.35)	(1.35)
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.84</b>	<b>0.84</b>
Issue of equity instruments	-	-	-	-	-
<b>Balance at March 31, 2020 (Ind AS)</b>	<b>117.47</b>	<b>1,010.32</b>	<b>10.34</b>	<b>(309.52)</b>	<b>828.61</b>
Profit or loss	-	-	-	47.82	47.82
Other comprehensive income	-	-	-	2.15	2.15
<b>Total Comprehensive Income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49.97</b>	<b>49.97</b>
Issue of equity instruments	-	-	-	-	-
Share issue expenses	-	-	-	-	-
<b>Balance at March 31, 2021 (Ind AS)</b>	<b>117.47</b>	<b>1,010.32</b>	<b>10.34</b>	<b>(259.55)</b>	<b>878.58</b>
The accompanying notes are an integral part of these financial statements (1-46)					
As per our report of even dated attached					

For **S.R. Batliboi & Co LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**  
Partner  
Membership No: 102102

For and on behalf of the Board of Directors

**Hemant Daga**  
Director  
DIN - 07783248

**Suresh Gurumani**  
Director  
DIN - 00636844

**Radhika Gupta**  
Managing Director and CEO  
DIN - 02657595

**Nirav Sanghavi**  
Company Secretary

**Amit Malpani**  
Chief Financial Officer

Mumbai, 26 May 2021

Mumbai, 26 May 2021



# Notes to the Financial Statements

## 1. Significant accounting policies

### 1.1 Background

Edelweiss Asset Management Limited ('the Company') was incorporated on August 23, 2007 as a private limited company. With effect from January 18, 2008, the Company converted itself into public limited company.

The Company is a subsidiary of Edelweiss Financial Services Limited and is incorporated as an asset management company. The Company is registered with the Securities and Exchange Board of India ('SEBI') to act as an investment manager to the Edelweiss Mutual Fund ('the fund') and Alternative Investment funds ('AIF'). It is also registered with SEBI as a portfolio manager.

### 1.2 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).

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

#### COVID-19

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 24 March 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 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 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's liquidity position over the next 12 months. Based on the foregoing and necessary stress tests considering various scenarios, management believes that the Company will be able to pay its obligations as and when these become due in the foreseeable future. In assessing the recoverability of loans, receivables, deferred tax assets and investments, the Company has considered internal and external sources of information, including credit reports, economic forecasts and industry reports up to the date of approval of these financial results. Since the situation continue to evolve, its effect on the operations of the Company may be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor material changes in markets and future economic conditions.

### 1.3 Presentation of financial statements

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 36.

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:



## Notes to the Financial Statements *(Continued)*

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

### 1.4 Use of estimates

The preparation of the financial statements requires management to make certain estimates and assumptions that affect the reported amount of assets, liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported revenue and expense during the reporting period. Actual results could differ from the estimates.

### 1.5 Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation. The Company applies the five-step approach for recognition of revenue:

- i. identification of contract(s) with customers;
- ii. Identification of the separate performance obligations in the contract;
- iii. Determination of transaction price;
- iv. Allocation of transaction price to the separate performance obligations; and
- v. Recognition of revenue when (or as) each performance obligation is satisfied

The Company recognises revenue from the following sources:

#### a. Investment Management Fees (net of tax)

Investment Management fees on Mutual fund and Alternative investment funds are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI Regulations based on average assets under management (AUM) of Edelweiss Mutual Fund schemes and Alternative investment funds.

#### b. Advisory Fees (net of tax)

Advisory fees are recognised on an accrual basis in accordance with agreement entered into with respective investment managers / advisors.

#### c. Portfolio Management Fees (net of tax)

Portfolio Management fees are recognised on an accrual basis in accordance with Portfolio Management Agreement entered with respective clients.

#### d. Interest income

Interest income is recognized using the effective interest rate.

#### e. Dividend income

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

#### f. Profit/loss on sale of investments is recognised on trade date basis.



# Notes to the Financial Statements *(Continued)*

## 1.6 Financial Instruments

### Date of recognition

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

### Initial measurement of financial instruments

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

### Classification of financial instruments

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

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

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.

Sales that occur for below reason are considered as consistent with business model whose objective is to hold financial assets in order to collect contractual cash flows

- if those sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).
- If such sales are made close to maturity of financial asset and proceeds from sale approximate the collection of the remaining contractual cashflow
- Selling a financial asset because of significant increase in credit risk

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.



# Notes to the Financial Statements *(Continued)*

## **Amortized cost and Effective interest rate (EIR)**

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

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

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

## **Financial assets held for trading**

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

## **Financial assets at fair value through profit or loss**

Financial assets in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under Ind AS 109. Disclosure requirement of Ind AS 107-Financial Instruments: Disclosure

## **Investment in equity instruments**

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

## **Investment in mutual funds**

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

## **Financial liabilities**

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

## **Debt securities and other borrowed funds**

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



# Notes to the Financial Statements *(Continued)*

## **Financial liabilities and equity instruments**

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

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

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

## **Derecognition of financial liabilities**

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

## **Impairment of financial assets**

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

## **Business model assessment**

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

## **Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the



# Notes to the Financial Statements *(Continued)*

## **Fair value of financial instruments *(Continued)***

balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

## **Determination of fair value**

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

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

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

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

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.



# Notes to the Financial Statements *(Continued)*

## 1.7 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.

## 1.8 Foreign currency transactions

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

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

## 1.9 Retirement and other employee benefit

### Provident fund and national pension scheme

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

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

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

### Compensated Absences

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

## 1.10 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services that are granted by the ultimate parent Group are measured by reference to the fair value of the equity instruments at the grant date. These includes Stock Appreciation Rights (SARs) where the right to receive the difference between the SAR price and the market price of equity shares of the ultimate parent Company on the date of exercise, either by way of cash or issuance of equity shares of the ultimate parent Company, is at the discretion of the ultimate parent Company. These are classified as equity settled share based transaction.



## Notes to the Financial Statements *(Continued)*

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

### 1.11 Property, plant and equipment and right of use assets

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

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its tangible assets recognised as of April 01, 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated Useful Life
Furniture and fittings	10 years
Vehicles	8 years
Office equipments	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy 1.14. Right-of-use assets are depreciated on a straight-line basis over the lease term.

### Intangible fixed assets

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

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



# Notes to the Financial Statements *(Continued)*

## **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.

## **1.12 Cash and cash equivalents**

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

## **1.13 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.

## **1.14 Operating leases**

As described in Note 35, the Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.

Company as a lessee:

The Company has applied IND AS 116 using the partial retrospective approach.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### **Right of use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

### **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit



## Notes to the Financial Statements *(Continued)*

in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### **Short term lease**

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

### **1.15 Income tax expenses**

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

#### **Current tax**

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

#### **Deferred tax**

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

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

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

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

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

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

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



# Notes to the Financial Statements *(Continued)*

## **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.

## **1.16 New fund offer expenses of mutual fund, PMS and AIF schemes**

Expenses relating to new fund offer of mutual fund and PMS schemes are charged in the statement of profit and loss in the year in which such expenses are incurred. For AIF schemes such expenses are initially borne by the Company and recovered from scheme after the launch of the scheme. Distribution cost is recognised over the lock in period for investment in the schemes.

## **1.17 Fund expenses**

Expenses incurred on behalf of schemes of Edelweiss Bharat Bond ETF – April 2023, Edelweiss Bharat Bond ETF – April 2030, Edelweiss Bharat Bond FOF – April 2023, Edelweiss Bharat Bond FOF – April 2030, BHARAT Bond ETF - April 2025, BHARAT Bond ETF - April 2031, BHARAT Bond FOF - April 2025, BHARAT Bond FOF - April 2031 (Collectively referred as “Bharat Bond Funds”) are recognised in the statement of profit and loss under Mutual Fund expenses in accordance with the agreement entered with Department of Investment and Public Asset Management, Ministry of Finance, Government of India (DIPAM).

## **1.18 Business Combination**

Business combinations except under common control are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values with certain limited exceptions. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Common controlled business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method.

## **1.19 Significant accounting judgements, estimates and assumptions**

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

### **Judgements**

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

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



## Notes to the Financial Statements *(Continued)*

### **1.20 Rounding of amounts**

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

### **1.21 Standards issued but not yet effective**

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



# Notes to the Financial Statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
<b>2 Cash and cash equivalents</b>		
Cash on hand	-	0.04
Balances with banks		
- in current accounts	87.29	24.53
	<b>87.29</b>	<b>24.57</b>

<b>3 Trade receivables</b>	162.39	120.95
Receivables considered good	162.39	120.95
	0.85	0.61
Less : Allowance for expected credit losses	161.54	120.34

### Reconciliation of impairment allowance on trade receivables:

Particulars	Amount
Impairment allowance as on 1 April 2019	7.30
Add/ (less): asset originated or acquired (net)	(6.69)
Impairment allowance as on 31 March 2020	0.61
Add/ (less): asset originated or acquired (net)	0.24
Impairment allowance as on 31 March 2021	0.85

### Provision matrix for Trade and lease receivables

	Trade receivables days past due	Current	1-90 days	91-180 days	181-270 days	270- 360 days	more than 360 days	Total
<b>ECL rate</b>			0.05%	4.35%	9.92%	39.13%	100.00%	0.52%
<b>March 31, 2021</b>	Estimated total gross carrying amount at default		158.95	0.92	1.21	1.15	0.16	162.39
	Lease receivables							
	ECL - Simplified approach		(0.08)	(0.04)	(0.12)	(0.45)	(0.16)	(0.85)
	<b>Net carrying amount</b>	-	<b>158.87</b>	<b>0.88</b>	<b>1.09</b>	<b>0.70</b>	-	<b>161.54</b>
			0.03%	2.51%	9.20%	25.00%	100.00%	0.50%
<b>March 31, 2020</b>	Estimated total gross carrying amount at default		116.83	1.99	1.74	0.04	0.35	120.95
	Lease receivables							
	ECL - Simplified approach		(0.04)	(0.05)	(0.16)	(0.01)	(0.35)	(0.61)
	<b>Net carrying amount</b>	-	<b>116.79</b>	<b>1.94</b>	<b>1.58</b>	<b>0.03</b>	-	<b>120.34</b>

	As at March 31, 2021	As at March 31, 2020
<b>4 Loans (At amortised cost)</b>		
Loans to employees	-	1.03
	-	<b>1.03</b>



## Notes to the Financial Statements *(Continued)*

### 5.1 Derivative financial instruments

The Table below shows the fairvalue of derivative instruments recorded as assets and liabilities together with their notional amounts:

March 31, 2021		Notional amount (Units)	Fair value of asset	Notional amount (Units)	Fair value of liability (INR)
(i)	Equity linked derivatives				
	Stock Futures	-	-	1,620,000	0.34
	Less: amounts offset (refer note below)		-		(0.34)
	<b>Total</b>	-	-		-
(i)	Equity linked derivatives				
	Stock Futures	-	-	1,620,000	0.76
	Less: amounts offset (refer note below)		-		(0.76)
	<b>Total</b>	-	-		-

Notes: Notional amounts in the above tables of Stock Futures refer to number of underlying equity shares.

### 5.2 Offsetting of Financial Assets and Liabilities:

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

#### As at March 31, 2021:

##### Financial assets subject to offsetting

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
<b>Derivative financial assets</b>	-	-	-

##### Financial liabilities subject to offsetting

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
<b>Derivative financial Liabilities</b>	<b>0.34</b>	<b>(0.34)</b>	-

#### As at March 31, 2020:

##### Financial assets subject to offsetting

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
<b>Derivative financial assets</b>	-	-	-

##### Financial liabilities subject to offsetting

	Offsetting recognised in the balance sheet		
	Gross asset before offset	Amount offset	Net asset recognised in balance sheet
<b>Derivative financial Liabilities</b>	<b>0.76</b>	<b>(0.76)</b>	-



## Notes to the Financial Statements *(Continued)*

<b>6 Investments</b>			
<b>As at March 31, 2021</b>			
<b>Particulars</b>	<b>At fair value through P&amp;L</b>	<b>At amortised cost</b>	<b>Total</b>
(i) Equity	1.18	-	1.18
(ii) Debt securities	186.00	-	186.00
(iii) Mutual Fund	559.93	-	559.93
<b>TOTAL - Gross (A)</b>	<b>747.11</b>	<b>-</b>	<b>747.11</b>
(i) Investments outside India	-	-	-
(ii) Investment in India	747.11	-	747.11
<b>Total (B)</b>	<b>747.11</b>	<b>-</b>	<b>747.11</b>
Less: Allowance for impairment (C)	-	-	-
<b>Total Net (A-C)</b>	<b>747.11</b>	<b>-</b>	<b>747.11</b>
<b>As at March 31, 2020</b>			
<b>Particulars</b>	<b>At fair value through P&amp;L</b>	<b>At amortised cost</b>	<b>Total</b>
(i) Equity	1.24	-	1.24
(ii) Debt securities	169.50	-	169.50
(iii) Mutual Fund	259.25	-	259.25
<b>TOTAL - Gross (A)</b>	<b>429.99</b>	<b>-</b>	<b>429.99</b>
(i) Investments outside India	-	-	-
(ii) Investment in India	429.99	-	429.99
<b>Total (B)</b>	<b>429.99</b>	<b>-</b>	<b>429.99</b>
Less: Allowance for impairment (C)			-
<b>Total Net (A-C)</b>	<b>429.99</b>	<b>-</b>	<b>429.99</b>



## Notes to the Financial Statements (Continued)

(Currency: Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
<b>7 Other financial assets</b>		
Security Deposits	6.10	29.27
Margin placed with broker	11.49	3.85
Advances recoverable in cash or in kind or for value to be received	6.82	15.84
	<b>24.41</b>	48.96
<b>8 Current tax assets (net)</b>		
Advance income taxes	32.50	186.51
	<b>32.50</b>	186.51
<b>9 Deferred tax assets (net)</b>		
<b>a. Deferred tax assets</b>		
Investments and other financial instruments		
Provision for diminution in value of current investments	1.35	1.35
Fair valuation of investments - unrealised gain	17.78	4.15
Employee benefit obligations		
Disallowances under section 43B of the Income Tax Act, 1961	-	0.26
Unused tax losses		
Accumulated losses	95.69	91.18
Others	1.05	1.54
	<b>115.87</b>	98.48
<b>b. Deferred tax liabilities</b>		
Property, plant and equipment and intangibles		
Difference between book and tax depreciation (including intangibles)	115.80	98.48
Employee benefit obligations		
Disallowances under section 43B of the Income Tax Act, 1961	0.07	-
	<b>115.87</b>	98.48
<b>Total (a-b)</b>	<b>-</b>	<b>-</b>
<b>Note:</b>		
Due to absence of reasonable certainty of future taxable income, the Company has not recognised Deferred Tax on temporary differences as the company has previous years brought forward losses.		

## Notes to the Financial Statements (Continued)

(Currency: Indian rupees in millions)

10	Fixed assets	Gross Block				Depreciation			Net Block	
		As at April 1, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021
	<b>Property, plant and equipments</b>									
	Leasehold improvements	21.53	-	13.94	7.59	7.67	3.67	7.94	3.40	4.19
	Furniture and Fittings	4.39	0.66	2.37	2.68	1.52	0.77	1.31	0.98	1.70
	Motor vehicles	1.45	-	-	1.45	0.62	0.31	-	0.93	0.52
	Office equipments	10.18	0.90	5.66	5.42	5.99	1.88	4.52	3.35	2.07
	Computers	19.18	2.39	1.67	19.90	14.56	2.77	1.44	15.89	4.01
	<b>Total : A</b>	<b>56.73</b>	<b>3.95</b>	<b>23.64</b>	<b>37.04</b>	<b>30.36</b>	<b>9.40</b>	<b>15.21</b>	<b>24.55</b>	<b>12.49</b>
	<b>Intangible assets</b>									
	Computer software	22.34	11.30	-	33.64	7.89	5.71	-	13.60	20.04
	Asset Management Rights - Mutual funds and Alternative Investment funds (Refer note below)	709.04	-	-	709.04	-	-	-	-	709.04
	<b>Total : B</b>	<b>731.38</b>	<b>11.30</b>	<b>-</b>	<b>742.68</b>	<b>7.89</b>	<b>5.71</b>	<b>-</b>	<b>13.60</b>	<b>729.08</b>
	Right to use lease assets	141.03	31.87	74.07	98.83	35.98	14.90	0.23	50.65	48.18
	<b>Total : C</b>	<b>141.03</b>	<b>31.87</b>	<b>74.07</b>	<b>98.83</b>	<b>35.98</b>	<b>14.90</b>	<b>0.23</b>	<b>50.65</b>	<b>48.18</b>
	<b>Grand Total [A+B+C]</b>	<b>929.14</b>	<b>47.12</b>	<b>97.71</b>	<b>878.55</b>	<b>74.23</b>	<b>30.01</b>	<b>15.44</b>	<b>88.80</b>	<b>789.75</b>

**Note:**

Management has carried out impairment analysis of Asset Management Rights of Mutual funds and Alternative Investment Funds through independent Chartered Accountant Firm. Based on the report of such firm and in the view of management there is no impairment on the above rights as on 31st March 2021 considered.



# Notes to the Financial Statements (Continued)

(Currency: Indian rupees in millions)

10	Fixed assets	Gross Block					Depreciation			Net Block As at March 31, 2020		
		As at April 1, 2019	IND AS Transition April 1, 2019	Additions during the year	Deductions during the year	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deductions during the year		As at March 31, 2020	
	<b>Property, plant and equipments</b>											
	Leasehold improvements	14.32	-	7.83	0.62	21.53	3.58	4.58	0.49	7.67		13.86
	Furniture and Fittings	2.88	-	1.78	0.27	4.39	0.81	0.88	0.17	1.52		2.87
	Motor vehicles	2.55	-	0.35	1.45	1.45	1.24	0.44	1.06	0.62		0.83
	Office equipments	7.09	-	3.26	0.17	10.18	3.22	2.92	0.15	5.99		4.19
	Computers	19.51	-	1.16	1.49	19.18	11.24	4.59	1.27	14.56		4.62
	<b>Total : A</b>	<b>46.35</b>	<b>-</b>	<b>14.38</b>	<b>4.00</b>	<b>56.73</b>	<b>20.09</b>	<b>13.41</b>	<b>3.14</b>	<b>30.36</b>		<b>26.37</b>
	<b>Intangible assets</b>											
	Computer software	7.83	-	14.51	-	22.34	2.23	5.66	-	7.89		14.45
	Asset Management Rights - Mutual funds and Alternative Investment funds (Refer note below)	709.04	-	-	-	709.04	-	-	-	-		709.04
	<b>Total : B</b>	<b>716.87</b>	<b>-</b>	<b>14.51</b>	<b>-</b>	<b>731.38</b>	<b>2.23</b>	<b>5.66</b>	<b>-</b>	<b>7.89</b>		<b>723.49</b>
	Right to use lease assets	-	137.98	3.62	0.57	141.03	-	35.98	-	35.98		105.05
	<b>Total : C</b>	<b>-</b>	<b>137.98</b>	<b>3.62</b>	<b>0.57</b>	<b>141.03</b>	<b>-</b>	<b>35.98</b>	<b>-</b>	<b>35.98</b>		<b>105.05</b>
	<b>Grand Total [A+B+C]</b>	<b>763.22</b>	<b>137.98</b>	<b>32.51</b>	<b>4.57</b>	<b>929.14</b>	<b>22.32</b>	<b>55.05</b>	<b>3.14</b>	<b>74.23</b>		<b>854.91</b>
	<b>Note:</b>	Management has carried out impairment analysis of Asset Management Rights of Mutual funds and Alternative Investment Funds through independent Chartered Accountant Firm. Based on the report of such firm and in the view of management there is no impairment on the above rights as on 31st March 2020 considered.										





# Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
<b>10.1 Asset Management Rights - MF and AIF schemes</b>		
Balance at the beginning of the year	709.04	709.04
Asset management rights arising on acquisitions	-	-
<b>Balance at the end of year</b>	<b>709.04</b>	709.04
<b>10.2 Intangible impairment assessment</b>		
Asset Management Rights acquired through business combinations has been allocated to following cash-generating unit (CGU), for impairment testing, as follows:		
<b>A. Impairment testing of Asset Management Rights:</b>		
Asset Management Rights - MF and AIF schemes	709.04	709.04
Carrying value of CGU	709.04	709.04
Recoverable amount of CGU	1,505.60	1,234.20
<b>Key assumptions in computing value in use:</b>		
Discount rate	11%	11%
Total expected cash-flows for 5 years	524.40	531.70
Terminal Value at the end of 5th Year	1,722.80	1,504.40
On account of low risk around achievability of projected financial results relative to historical growth that has been achieved and significant impact of covid-19 already being captured in the projections the cost of equity is estimated to be 11% as at March 31, 2021.		
The calculation of value in use is most sensitive to expected cash-flows and discount rate.		

<b>Key assumptions</b>	<b>Basis of key assumptions and associated risk</b>	Reasonably assumed possible change
<b>Discount Rates</b>	<b>Discount rates reflect the current market</b>	Increase/decrease by 100 basis points assessment of the risk associated.
<b>Expected cash-flows</b>	<b>Based on the projected cash-flows approved by Board of directors</b>	Increase/decrease by 500 basis points and expected increase in profit in the coming years.



# Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
<b>11 Other non-financial assets</b>		
GST Input credit	-	0.15
Prepaid expenses	121.30	178.13
Vendor Advances	6.67	3.80
Contribution to Gratuity Fund (net of provision)	1.40	-
	<b>129.37</b>	<b>182.08</b>
<b>12 Trade Payables</b>		
Trade payables from non-related parties		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues to creditors other than micro enterprises and small enterprises (Refer note below)	85.09	118.58
	<b>85.09</b>	<b>118.58</b>
<b>Note:</b>		
There are INR Nil (Previous year: INR Nil) dues 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.		
<b>13 Other financial liabilities</b>		
Others		
Accrued salaries and benefits	167.46	0.44
Retention money payable	0.43	0.59
Others	0.05	0.05
	<b>167.94</b>	<b>1.08</b>
<b>14 Provisions</b>		
Provision for employee benefits		
Gratuity	-	1.38
Compensated leave absences	3.73	4.02
Others		
Capex	4.00	5.86
	<b>7.73</b>	<b>11.26</b>
<b>15 Other non-financial liabilities</b>		
Others		
Others	12.02	14.66
Statutory dues	32.55	16.66
	<b>44.57</b>	<b>31.32</b>



## Notes to the Financial Statements *(Continued)*

		As at March 31, 2021		As at March 31, 2020	
<b>16</b>	<b>Equity share capital</b>				
	<b>Authorised :</b>				
	113,250,000 (Previous year: 113,250,000) equity shares of Rs. 10 each		<b>1,132.50</b>		1,132.50
			<b>1,132.50</b>		1,132.50
	<b>Issued, Subscribed and Paid up:</b>	<b>No. of shares</b>	<b>Amount</b>	No. of shares	Amount
	7,33,43,293 (Previous year: 7,33,43,293) equity shares of Rs. 10 each, fully paid-up	<b>73,343,293</b>	<b>733.43</b>	73,343,293	733.43
			<b>733.43</b>		733.43
<b>a.</b>	<b>Movement in share capital :</b>				
		<b>March 31, 2021</b>		<b>March 31, 2020</b>	
		<b>No. of shares</b>	<b>Amount</b>	No. of shares	Amount
	Outstanding at the beginning of the year	<b>73,343,293</b>	<b>733.43</b>	73,343,293	733.43
	Shares issued during the year	-	-	-	-
	Outstanding at the end of the year	<b>73,343,293</b>	<b>733.43</b>	73,343,293	733.43
<b>b.</b>	<b>Terms/rights attached to equity shares :</b>				
	The Company has only one class of equity shares having a par value of Re 10/-. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
	<b>Shares held by holding/ultimate holding company and/or their subsidiaries/associates</b>				
		<b>March 31, 2021</b>		<b>March 31, 2020</b>	
	<b>Holding company</b>				
	Edelweiss Financial Services Limited, the holding company and its nominees	<b>73,343,293</b>	<b>100.00%</b>	69,173,793	94.32%
	Ecap Equities Limited	-	<b>0.00%</b>	4,169,500	5.68%
		<b>73,343,293</b>	<b>100.00%</b>	73,343,293	100.00%
	<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>				
		<b>March 31, 2021</b>		<b>March 31, 2020</b>	
	Edelweiss Financial Services Limited, the holding company and its nominees	<b>73,343,293</b>	<b>100.00%</b>	69,173,793	94.32%
	Ecap Equities Limited	-	<b>0.00%</b>	4,169,500	5.68%
		<b>73,343,293</b>	<b>100.00%</b>	73,343,293	100.00%



## Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

	As at March 31, 2021	As at March 31, 2020
<b>17 Reserves and surplus</b>		
Capital Reserve - Opening balance	117.47	117.47
Add : Additions during the year	-	-
	117.47	117.47
Securities Premium Account	1,010.32	1,010.32
Add : Additions during on issue of Equity Shares	-	-
	1,010.32	1,010.32
Deemed capital contribution - ESOP	10.34	10.34
Add : Additions during the year	-	-
	10.34	10.34
Retained earnings - Opening balance (P&L)	(309.52)	(310.36)
Add: Profit for the year	47.82	12.07
Adjustment on account of INDAS 116 - lease (refer note 35)	-	(9.88)
Add: Other comprehensive income for the year	2.15	(1.35)
Retained earnings - Closing balance (P&L)	(259.55)	(309.52)
	878.58	828.61

		For the year ended March 31, 2021				For the year ended March 31, 2020			
		On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Interest Income on Financial Assets classified at fair value through profit or loss	Total
<b>18 Interest Income</b>		-	-	29.99	29.99	-	-	15.31	15.31
Interest income from investments		-	-	29.99	29.99	-	-	15.31	15.31
<b>Total</b>		-	-	29.99	29.99	-	-	15.31	15.31



# Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>19 Fee income</b>		
<b>Management and other Fee (including Advisory fees)</b>	<b>1,084.91</b>	1,243.55
	<b>1,084.91</b>	<b>1,243.55</b>
Below is the disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:		
<b>Particulars</b>	<b>2020-21</b>	2019-20
Service transferred at a point in time	-	-
Service transferred over time	<b>1,084.91</b>	1,243.55
<b>Total revenue from contract with customers</b>	<b>1,084.91</b>	<b>1,243.55</b>
<b>20 Net gain on fair value changes</b>		
<b>Net gain/ (loss) on financial instruments at fair value through profit or loss</b>		
<b>Investments</b>		
(Loss) on trading of securities (net)	<b>(0.06)</b>	(0.93)
Profit / (loss) on sale of Current Investment	<b>4.19</b>	(16.99)
Fair value gain / (loss) - P&L - mutual funds	<b>71.48</b>	(13.98)
Fair value (loss) - P&L - debt	<b>(0.83)</b>	(2.51)
<b>Derivatives</b>		
(Loss) on equity derivative instruments (net)	<b>(10.13)</b>	(10.51)
<b>Total Net gain/(loss) on fair value changes</b>	<b>64.65</b>	<b>(44.92)</b>
<b>Fair value changes:</b>		
Realised	<b>(5.94)</b>	(28.43)
Unrealised	<b>70.59</b>	(16.49)
<b>Total Net gain/loss on fair value changes</b>	<b>64.65</b>	<b>(44.92)</b>
<b>21 Other income</b>		
(Loss) / profit on sale of fixed assets (net)	<b>(6.81)</b>	(0.02)
Others		
Miscellaneous income	<b>31.33</b>	5.41
	<b>24.52</b>	<b>5.39</b>



## Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

		For the year ended March 31, 2021			For the year ended March 31, 2020		
22	Finance costs	"On Financial liabilities measured at fair value through profit or loss"	On Financial liabilities measured at Amortised Cost	Total	"On Financial liabilities measured at fair value through profit or loss"	On Financial liabilities measured at Amortised Cost	Total
	Interest on borrowings	-	-	-	-	2.02	2.02
	Other interest expense	-	6.89	6.89	-	14.99	14.99
	<b>Total</b>	-	6.89	6.89	-	17.01	17.01

		For the year ended March 31, 2021	For the year ended March 31, 2020
23	<b>Employee benefit expenses</b>		
	Salaries and wages		
	Salaries and wages	325.32	410.95
	Salaries and wages - Bonus	247.38	-
	Contribution to provident and other funds (refer note 28)	21.78	26.68
	Expense on Employee Stock Appreciation Rights (SAR) and Employee Stock Option Scheme (ESOP)	10.51	12.98
	Staff welfare expenses	6.78	10.86
		611.77	461.47



## Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>24 Other expenses</b>		
Advertisement and business promotion	11.83	32.72
Auditors' remuneration (refer note below)	2.01	2.12
Bad- debts and advances written off	0.50	18.93
Commission and brokerage	156.48	234.20
Communication	9.01	9.73
Directors' sitting fees	0.50	0.68
Insurance	1.80	1.17
Legal and professional fees	71.91	74.60
Printing and stationery	1.97	3.55
Allowances / (Recoveries) on receivables	0.24	(6.69)
Rates and taxes	0.17	0.47
Rent (refer note 35)	33.85	8.57
Repairs and maintenance	1.59	6.70
Electricity charges (refer note 2.40)	1.84	3.43
Mutual Fund - New Fund Offer Expenses	56.64	144.62
Computer expenses	23.59	17.00
Clearing & custodian charges	6.41	7.10
Membership and subscription	10.20	12.18
Mutual Fund Expenses	73.57	13.18
Office expenses	30.53	48.63
Postage and courier	0.72	2.28
Goods & Service tax expenses	0.36	9.86
Travelling and conveyance	9.16	27.21
Miscellaneous expenses	2.70	0.91
	<b>507.58</b>	<b>673.15</b>
<b>Auditors' remuneration:</b>		
As Auditors	2.00	2.00
Towards reimbursement of expenses	0.01	0.12
	<b>2.01</b>	<b>2.12</b>



## Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

<b>25 Earnings per Share</b>		
	<p>Basic earnings per share (EPS) are calculated by dividing the net profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.</p> <p>Diluted EPS is calculated by dividing the net profit attributable to equity holders (after adjusting for interest on the convertible preference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.</p>	
<b>Particulars</b>	<b>For the year ended March 31, 2021</b>	<b>For the year ended March 31, 2020</b>
Net Profit from continued operation attributable to equity holders	<b>47.82</b>	12.07
Net Profit from continued operation attributable to ordinary equity holders adjusted for the effect of dilution	<b>47.82</b>	12.07
Weighted average number of ordinary shares for basic earnings per share	<b>73,343,293</b>	73,343,293
Earnings per share		
Basic earnings per share	<b>0.65</b>	0.16
Diluted earnings per share	<b>0.65</b>	0.16



# Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

<b>26</b>		
<b>i.</b>	<b>List of related parties and relationship:</b>	
	Name of related parties by whom control is exercised : Holding Company	Edelweiss Financial Services Limited
	Fellow Subsidiaries	ECap Equities Limited
	(with whom transactions have taken place)	Edelweiss Multi Strategy Fund Advisors LLP
		Edelweiss Rural and Corporate Services Limited
		Edelweiss Broking Limited
		Edelweiss Securities Limited
		Edelweiss Global Wealth Management Limited
		Edelweiss Housing Finance Limited
		Edelweiss Retail Finance Limited
		Edelweiss Custodial Services Limited
		Edelweiss Comtrade Limited
		Edelweiss Investment Adviser Limited
		Edel Land Limited
		ECL Finance Limited
		Edelweiss Alternative Asset Advisors Limited
		Edelweiss Asset Reconstruction Company Limited
		Edelweiss Finvest Private Limited
		Edelweiss Gallagher Insurance Brokers Limited (Formerly known as Edelweiss General Insurance Company Limited)
		EFSL Trading Limited (formerly EFSL Commodities Limited )
		Edelweiss Investments Limited
		Edelvalue Partners
		Edelweiss Trusteeship Company Limited
		Edelweiss Investment Advisors Limited
		Edelweiss Finance and Investments Limited
		Edelweiss Alternative Asset Advisors Pte. Limited
		ESL Securities Limited
	Non-Executive Directors	<b>Anurag Madan</b> (till August 25, 2020) <b>Hemant Daga</b>
	Independent Directors	<b>Suresh Gurumani</b> <b>Manjit Singh</b> <b>Karan Datta</b> (w. e. f. May 23, 2020)
	Key Management Personnel	<b>Radhika Gupta</b> (Chief Executive Officer till June 30, 2020 and Managing Director and CEO w.e.f. July 01, 2020) <b>Amit Malpani</b> (Chief Financial Officer)



# Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

<b>ii. Transactions with related parties :</b>				
<b>S r . No.</b>	<b>Nature of Transaction</b>	<b>Related Party Name</b>	<b>2020-21</b>	<b>2019-20</b>
1	Short term loans taken from (Refer Note 1 below)	Edelweiss Rural and Corporate Services Limited	-	87.33
2	Short term loans repaid to (Refer Note 1 below)	Edelweiss Rural and Corporate Services Limited	-	70.40
3	Interest expenses on loan from	Edelweiss Rural and Corporate Services Limited	-	2.02
4	Referral and other fees, Commission Brokerage and Marketing promotion Expenses paid to	Edelweiss Broking Limited	<b>30.41</b>	42.52
		Edelweiss Securities Limited	<b>5.82</b>	4.46
		Edelweiss Global Wealth Management Limited	<b>9.69</b>	44.43
		Edelweiss Financial Services Limited	<b>0.23</b>	0.85
5	Cost reimbursements paid to	Edelweiss Financial Services Limited	<b>9.61</b>	20.49
		Edelweiss Rural and Corporate Services Limited	<b>43.39</b>	45.20
		Edelweiss Global Wealth Management Limited	<b>0.39</b>	2.30
		Edelweiss Retail Finance Limited	<b>0.09</b>	0.11
		Edelweiss Custodial Services Limited	<b>5.20</b>	3.45
		Edelweiss Securities Limited	<b>0.40</b>	2.65
		ECap Equities Limited	<b>0.65</b>	0.84
		Edelweiss Comtrade Limited	-	0.02
		Edelweiss Broking Limited	<b>0.62</b>	1.61
		Edelweiss Investment Adviser Limited	-	0.18
		Edel Land Limited	-	0.21
		ECL Finance Limited	<b>0.15</b>	1.59
6	Cost reimbursements received from	Edelweiss Alternative Asset Advisors Limited	<b>1.15</b>	1.63
		Edelweiss Asset Reconstruction Company Limited	<b>1.54</b>	1.75
		Edelweiss Finvest Private Limited	-	0.08
		Edelweiss Housing Finance Limited	<b>0.00</b>	0.03
		Edelweiss Gallagher Insurance Brokers Limited	<b>0.20</b>	-
		Edelweiss Finance and Investments Limited	<b>0.16</b>	-
7	Advisory fees received from	ECap Equities Limited	<b>9.04</b>	114.72
		Edelweiss Finvest Private Limited	-	65.18
		Edelweiss Alternative Asset Advisors Pte. Limited	<b>0.65</b>	-



## Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

<b>ii. Transactions with related parties :</b>				
<b>Sr. No.</b>	<b>Nature of Transaction</b>	<b>Related Party Name</b>	<b>2020-21</b>	<b>2019-20</b>
8	Directors sitting fees	Kanu Doshi	-	0.28
		U.R. Bhat	-	0.22
		Suresh Gurumani	0.20	0.12
		Manjit Singh	0.20	0.06
		Karan Datta	0.10	-
9	Remuneration paid to (Refer Note 2 below)	Key Management Personnel	17.62	22.44
<b>iii Balances with related parties</b>				
10	Trade payables to	Edelweiss Investment Advisors Limited	0.04	0.03
		Edelweiss Broking Limited	2.18	3.51
		Edelweiss Rural and Corporate Services Limited	4.04	4.83
		ECap Equities Limited	0.05	0.51
		Edelweiss Securities Limited	0.40	0.90
		Edelweiss Financial Services Limited	0.44	1.64
		ECL Finance Limited	0.11	0.08
		Edelweiss Alternative Asset Advisors Limited	0.20	0.01
		Edelweiss Global Wealth Management Limited	0.10	0.03
		Edelweiss Asset Reconstruction Company Limited	-	0.00
		Edelweiss Retail Finance Limited	-	0.02
		Edelweiss Custodial Services Limited	1.42	1.05
		Edelweiss Finance and Investments Limited	0.03	-
		ESL Securities Limited	1.44	-
		Edelweiss Trusteeship Company Limited	0.13	-
		Edelweiss Multi Strategy Fund Advisors LLP	0.03	-
11	Nomination deposits payable to	Edelweiss Financial Services Limited	-	0.10
12	Advances recoverable in cash or in kind or for value to be received	ECap Equities Limited	0.00	0.00
		Edelweiss Comtrade Limited	0.00	0.00
		Edelweiss Rural and Corporate Services Limited	0.13	-
		ECL Finance Limited	0.01	-
		Edelweiss Custodial Services Limited	0.05	-
		Edelweiss Securities Limited	0.05	-
		Edelweiss Global Wealth Management Limited	0.30	-
		Edelweiss Gallagher Insurance Brokers Limited	0.20	-
		Edelweiss Finvest Private Limited	-	0.31



## Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

<b>iii. Balances with related parties</b>				
<b>S r . No.</b>	<b>Nature of Transaction</b>	<b>Related Party Name</b>	<b>2020-21</b>	<b>2019-20</b>
13	Trade receivables	Ecap Equities Limited	-	10.52
		Edelweiss Rural and Corporate Services Limited	-	0.65
		ECL Finance Limited	-	0.25
		Edelweiss Housing Finance Limited	-	0.00
		Edelweiss Investment Advisors Limited	-	4.84
		Edelweiss Alternative Asset Advisors Limited	0.00	0.42
		Edelweiss Multi Strategy Fund Advisors LLP	0.01	0.01
		Edelweiss Finvest Private Limited	-	6.20
		Edelweiss Global Wealth Management Limited	-	0.13
		Edelweiss Asset Reconstruction Company Limited	-	1.19
		Edelweiss Broking Limited	0.01	0.09
		Edelweiss Securities Limited	0.00	0.19
		Edelweiss Custodial Services Limited	-	0.14
		Edelweiss Retail Finance Limited	-	0.00
		ESL Securities Limited	0.07	0.00
		Edelweiss Alternative Asset Advisors Pte. Limited	0.44	-
14	Margin Placed with	Edelweiss Broking Limited	11.49	3.85
15	Other payables - ESOP	Edelweiss Financial Services Limited	10.51	13.33
		Ecap Equities Limited	-	0.11
16	Other receivable - ESOP	ECL Finance Limited	-	0.01
		Edelweiss Alternative Asset Advisors Limited	-	0.41
		Edelweiss Finvest Private Limited	-	0.04
	<b>Note:</b>			
	<p>1. 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 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.</p> <p>2. Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and deferred bonus which are provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.</p>			



# Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

<b>27.</b>	<b>Segment reporting</b>		
	The primary business of the Company is to act as an investment manager to Edelweiss Mutual Fund. Accordingly, there is no separate reportable segment and hence, no disclosure is made under <b>Indian Accounting Standard 108 – Operating Segment Reporting</b> . Further, segmentation based on geography has not been presented as the Company operates only in India.		
<b>28</b>	<b>Disclosure pursuant to Indian Accounting Standard 19 - Employee Benefits</b>		
	<b>A) Defined contribution plan (Provident fund and National Pension Scheme):</b>		
	Amount of Rs. 17.68 (Previous year: Rs. 20.14) is recognised as expense and included in “Employee benefit expense” – note 23 in the statement of profit and loss.		
	<b>B) Defined benefit plan (gratuity):</b>		
	The following tables summarize the components of the net benefit expenses recognized in the statement of profit and loss, the funded status and amounts recognized in the balance sheet for the gratuity benefit plan.		
	<b>Statement of profit and loss</b>		
	<b>Expenses recognized in the statement of profit and loss account:</b>		
		<b>2021</b>	<b>2020</b>
	Current service cost	4.17	4.76
	Interest cost	(0.07)	1.76
	Expected return on plan asset	-	(1.33)
	Past service cost	-	-
	Actuarial (gain) or loss recognized in the year	(2.15)	1.35
	<b>Employer expense</b>	<b>1.95</b>	<b>6.54</b>
	<b>Balance sheet</b>		
	<b>Reconciliation of Defined Benefit Obligation (DBO):</b>		
		<b>2021</b>	<b>2020</b>
	Present value of DBO at the beginning of the year	29.73	21.75
	Acquisition/ (Divesture)	-	-
	Transfer in / (out)	(2.69)	4.48
	Interest cost	1.49	1.76
	Current service cost	4.17	4.76
	Benefits paid	(2.04)	(2.98)
	Past service cost		
	Actuarial (gain)/loss on obligation	2.41	(0.04)
	<b>Present value of DBO at the end of the year</b>	<b>33.07</b>	<b>29.73</b>
	<b>Reconciliation of fair value of plan assets:</b>		



## Notes to the Financial Statements *(Continued)*

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Fair value of plan assets at the beginning of the year	28.35	21.35
Expected return on plan asset	4.56	1.33
Contributions	2.04	10.03
Benefits paid	(2.04)	(2.98)
Actuarial gain/(loss) on plan assets	1.55	(1.39)
<b>Fair value of plan assets at the end of the year</b>	<b>34.46</b>	28.34
<b>Net (liability) / asset recognised in the balance sheet:</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Present value of defined benefit obligation	33.06	29.73
Fair value of plan assets at the end of the year	34.46	28.35
<b>Amount recognized in balance sheet - asset/(liability)</b>	<b>1.40</b>	(1.38)
<b>Experience adjustments:</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
On plan liabilities: (gain)/ loss	1.18	(1.95)
On plan assets: gain/ (loss)	-	-
<b>Estimated contribution for next year</b>	<b>Nil</b>	Nil
<b>Principal actuarial assumptions at the balance sheet date:</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Discount rate	5.00%	5.50%
Salary escalation	7%	7%
Employee attrition rate	25%	13%-50%
Expected return on plan assets	5.50%	6.70%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
<b>Sensitivity analysis:</b>		
<b>DBO increases / (decreases) by</b>	<b>March - 21</b>	<b>March - 20</b>
Increase of 1% in Salary Growth Rate	1.14	1.34
Decrease of 1% in Salary Growth Rate	(1.08)	(1.33)
Increase of 1% in Discount Rate	(1.09)	(1.33)
Decrease of 1% in Discount Rate	1.18	1.37
Increase of 1% in Withdrawal Rate	(0.09)	(0.09)
Decrease of 1% in Withdrawal Rate	0.09	0.1
Mortality (Increase in expected lifetime by 1 year)	0	0
Mortality (Increase in expected lifetime by 3 years)	0	0.01
<b>Percentage Break-down of Total Plan Assets:</b>		
	<b>2021</b>	2020
Insurer Managed Funds (Unit-linked)	99.90%	99.90%
Cash and Bank	0.10%	0.10%



## Notes to the Financial Statements *(Continued)*

<b>29.</b>	<b>Employee Stock Option Plans (ESOPs) / Stock Appreciation Rights (SARs)</b>		
	The Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans and Stock Appreciation Rights Plans in force. Based on such ESOP/SAR schemes, parent entity has granted an ESOP/SAR option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.		
<b>30.</b>	<b>Foreign currency transactions</b>		
	The Company have foreign currency exposure as on the date of balance sheet as below:		
	<b>Particulars</b>	<b>2021</b>	<b>2020</b>
	Trade Receivable	0.44	-
	The Company has undertaken the following transactions in foreign currency:		
	<b>Income and Expenditure incurred in foreign currency (on accrual basis)</b>	<b>2021</b>	<b>2020</b>
	<b>Income</b>		
	Advisory Fee income	0.65	-
	<b>Expenditure</b>		
	Membership & Subscription Chgs	0.90	-
	Market Data Services	1.19	-
<b>31.</b>	<b>Contingent liabilities, commitments, and litigations</b>		
	<b>i. Contingent liabilities</b>		
	There are no contingent liabilities as on the date of balance sheet.		
	<b>ii. Commitments</b>		
	The Company has capital commitments of Rs. 0.07 (Previous year: Rs. 2.79) as at the balance sheet date.		
	<b>iii. Litigations</b>		
	The Company does not have any pending litigations as on the date of balance sheet.		
	The Company has received demand notices from tax authorities on account of disallowance of expenditure for earning exempt income under Section 14A of Income Tax Act 1961 read with Rule 8D of the Income Tax Rules, 1962. The company has filed appeal/s and is defending its position. Based on the favourable outcome in Appellate proceedings in the past and as advised by the tax advisors, company is reasonably certain about sustaining its position in the pending cases, hence the possibility of outflow of resources embodying economic benefits on this ground is remote		
<b>32.</b>	<b>Cost sharing</b>		
	Edelweiss Financial Services Limited, being the holding company along with fellow subsidiaries incurs expenditure like Group mediclaim, insurance, rent, electricity charges etc. which is for the common benefit of itself and its certain subsidiaries, fellow subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, time spent by employees of other companies, actual identifications etc. Accordingly, and as identified by the management, the expenditure heads in note 23 and 24 include reimbursements paid and are net of reimbursements received based on the management's best estimate.		



## Notes to the Financial Statements *(Continued)*

<b>33.</b>	<b>Risk Management framework:-</b>		
	<b>a)</b>	<b>Governance framework</b>	
		The primary objective of the company's risk and financial management framework is to protect the company's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognises the critical importance of having efficient and effective risk management systems in place.	
	<b>b)</b>	<b>Approach to capital management</b>	
		Company objectives when managing capital, are to (a) maximise shareholder value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders. Company monitors capital using debt-equity ratio, which is total debt divided by total equity.	
		<b>Particulars</b>	<b>As at 31st March 2021</b>
			<b>As at 31st March 2020</b>
		Total Debt	-
		Equity	1,612.01
		Net Debt to Equity	-
<b>34.</b>	<b>Credit risk</b>		
	Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables. Company has no significant concentration of credit risk with any counterparty.		
	The Company's management policy is to closely monitor creditworthiness of counterparties by reviewing their credit ratings, financial statements, and press release on regular basis.		
	The Company's financial assets subject to the expected credit loss model within Ind AS 109 are only short-term trade and other receivables. All trade receivables are expected to be received in three months or less. Company applies the expected credit loss model for recognising impairment loss. Expected credit loss allowance in respect of receivables is computed based on a provision matrix which takes into account historical credit loss experience.		
	Company is exposed to credit risk on mutual fund investments; however these investments are not subjected to Ind AS 109 impairment requirements as they are measured at FVTPL. The carrying value of these investments, under Ind AS 109 represents the Company's maximum exposure to credit risk on financial instruments not subject to the Ind AS 109 impairment requirements on the respective reporting dates.		
	<b>Reconciliation of impairment allowance on trade receivables:</b>		
	Impairment allowance measured as per simplified approach		INR
	Impairment allowance as on 31 March 2020		0.61
	Addition/ (Reduction) during the year		0.24
	<b>Impairment allowance as on 31 March 2021</b>		<b>0.85</b>



## Notes to the Financial Statements *(Continued)*

<b>Trade Receivables Aging and Expected Credit loss (ECL):</b>							
<b>Year ended</b>	<b>Days past due</b>	<b>1-90 days</b>	<b>91-180 days</b>	<b>181-270 days</b>	<b>270- 360 days</b>	<b>more than 360 days</b>	<b>Total</b>
<b>March 31, 2021</b>	ECL rate	0.05%	4.35%	9.92%	39.13%	100.00%	0.52%
	Gross	158.95	0.92	1.21	1.15	0.16	162.39
	ECL	(0.08)	(0.04)	(0.12)	(0.45)	(0.16)	(0.85)
	<b>Net</b>	<b>158.87</b>	<b>0.88</b>	<b>1.09</b>	<b>0.7</b>	-	<b>161.54</b>
<b>March 31, 2020</b>	ECL rate	0.03%	2.51%	9.20%	25.00%	100.00%	0.50%
	Gross	116.83	1.99	1.74	0.04	0.35	120.95
	ECL	(0.04)	(0.05)	(0.16)	(0.01)	(0.35)	(0.61)
	<b>Net</b>	<b>116.79</b>	<b>1.94</b>	<b>1.58</b>	<b>0.03</b>	-	<b>120.34</b>
<b>Liquidity Risk:</b>							
<p>Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its trade payables earlier than expected. The Company is exposed to cash redemptions of units on a regular basis. Units are redeemable at the holder's option based on the Fund's NAV per share at the time of redemption, calculated in accordance with the Fund's constitution.</p>							
<p>The company's policy is to satisfy redemption requests by the following means (in decreasing order of priority):</p> <ul style="list-style-type: none"> <li>· Searching for new investors</li> <li>· Withdrawal of cash deposits</li> <li>· Disposal of highly liquid assets (i.e., short-term, low-risk debt investments)</li> <li>· Either disposal of other assets or increase of leverage</li> </ul>							
Refer Note 36 on maturity analysis of assets and liabilities.							
<b>Market risks</b>							
<p>Risk which can affect the Company's income or the value of its holdings of financial instruments due to adverse movements in market prices of instrument due to price risk. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters.</p>							



## Notes to the Financial Statements (Continued)

(Currency: Indian rupees in millions)

<b>35 Operating Lease</b>		
	<b>Right-of-use assets</b>	
	<b>Particulars</b>	<b>As at April 01, 2020 As at April 01, 2019</b>
	Opening Balance	105.05 137.98
	Addition	31.87 3.62
	Deletion	(73.83) (0.57)
	Depreciation expense	(14.90) (35.98)
	<b>Closing Balance</b>	<b>48.19 105.05</b>
	<b>Lease liability</b>	
	<b>Particulars</b>	<b>As at April 01, 2020 As at April 01, 2019</b>
	Opening Balance	124.11 151.54
	Addition (net)	(57.91) 3.04
	Accretion of interest	6.88 14.72
	Payments	(18.45) (45.19)
	<b>Closing Balance</b>	<b>54.63 124.11</b>
	<b>Particulars</b>	<b>Year ended Year ended March 31, 2021 March 31, 2020</b>
	Depreciation expense	14.9 35.98
	Interest expense on lease liabilities	6.88 14.72
	Expense relating to short-term lease (included in other expenses)	0.18 0.45
	<b>Total amount recognised in statement of profit and loss</b>	<b>21.96 51.15</b>
	The Company has entered into commercial leases for buildings. Some of the leases contain extensions and termination options such options have been considered while lease term only.	



## Notes to the Financial Statements *(Continued)*

36. 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.							
	March 31, 2021			March 31, 2020			
Particulars	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	
<b>Financial assets</b>							
Cash and cash equivalents	87.29	-	87.29	24.57	-	24.57	
Trade receivables	161.00	-	161.00	101.98	-	101.98	
Trade receivables - related party	0.54	-	0.54	18.36	-	18.36	
Loans	-	-	-	1.03	-	1.03	
Investments	457.95	289.16	747.11	83.62	346.37	429.99	
Investments - Group	-	-	-	-	-	-	
Other financial assets	18.31	6.10	24.41	19.69	29.27	48.96	
<b>Total (A)</b>	<b>725.09</b>	<b>295.26</b>	<b>1,020.35</b>	<b>249.25</b>	<b>375.64</b>	<b>624.89</b>	
<b>Non-financial assets</b>							
Current tax assets (net)	-	32.50	32.50	-	186.51	186.51	
Deferred tax assets (net)	-	-	-	-	-	-	
Property, plant and equipment	-	12.49	12.49	-	26.37	26.37	
Capital work-in-progress	-	-	-	-	-	-	
Right to use assets	-	48.18	48.18	-	105.05	105.05	
Other intangible assets	-	729.08	729.08	-	723.49	723.49	
Other non-financial assets	6.67	122.70	129.37	3.80	178.28	182.08	
<b>Total (B)</b>	<b>6.67</b>	<b>944.95</b>	<b>951.62</b>	<b>3.80</b>	<b>1,219.70</b>	<b>1,223.50</b>	
<b>Total assets</b>	<b>731.76</b>	<b>1,240.21</b>	<b>1,971.97</b>	<b>253.05</b>	<b>1,595.34</b>	<b>1,848.39</b>	

36. 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.							
	March 31, 2021			March 31, 2020			
Particulars	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	
<b>Financial liabilities</b>							
Trade payables	74.50	-	74.50	105.86	-	105.86	
Trade payables - related party	10.59	-	10.59	12.71	-	12.71	
Borrowing (other than debt securities)	-	-	-	-	-	-	
Lease liabilities	-	54.63	54.63	-	124.11	124.11	
Other financial liabilities	167.94	-	167.94	1.09	-	1.09	
<b>Total (A)</b>	<b>253.03</b>	<b>54.63</b>	<b>307.66</b>	<b>119.66</b>	<b>124.11</b>	<b>243.77</b>	
<b>Non-financial liabilities</b>							
Provisions	7.73	-	7.73	11.26	-	11.26	
Other non-financial liabilities	43.82	0.75	44.57	30.57	0.75	31.32	
<b>Total (B)</b>	<b>51.55</b>	<b>0.75</b>	<b>52.30</b>	<b>41.83</b>	<b>0.75</b>	<b>42.58</b>	
<b>Total liabilities</b>	<b>304.58</b>	<b>55.38</b>	<b>359.96</b>	<b>161.49</b>	<b>124.86</b>	<b>286.35</b>	
<b>Net Assets / (Liabilities)</b>	<b>427.18</b>	<b>1,184.83</b>	<b>1,612.01</b>	<b>91.56</b>	<b>1,470.48</b>	<b>1,562.04</b>	



## Notes to the Financial Statements *(Continued)*

37.	Change in liabilities arising from financing activities:-					
Particulars	April 01, 2020	Cash flows	Changes in fair values	Exchange differences	Others	March 31, 2021
Borrowings other than debt securities	-	-				-
Other financial liabilities	1.08	166.86				167.94
<b>Total liabilities from financing activities</b>	<b>1.08</b>	<b>166.86</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167.94</b>
Particulars	April 01, 2019	Cash flows	Changes in fair values	Exchange differences	Others	March 31, 2020
Borrowings other than debt securities	55.65	(55.65)				-
Other financial liabilities	74.73	(73.65)				1.08
<b>Total liabilities from financing activities</b>	<b>130.38</b>	<b>(129.30)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.08</b>



## Notes to the Financial Statements *(Continued)*

38	<b>Fair Values of Financial Instruments</b>				
	<b>Key Inputs for Fair Valuation technique:</b>				
1	Mutual Funds : Based on Net Asset Value of the Scheme				
2	Unquoted Equity investment : Fair Valuation				
	The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy				
		<b>March 31, 2021</b>			
	<b>Particulars</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Investments</b>				
	Debt securities	-	-	186.00	<b>186.00</b>
	Mutual fund units	559.93	-	-	<b>559.93</b>
	Equity instruments	-	1.18	-	<b>1.18</b>
	<b>Total investments measured at fair value</b>	<b>559.93</b>	<b>1.18</b>	<b>186.00</b>	<b>747.11</b>
	<b>Total financial assets measured at fair value on a recurring basis</b>	<b>559.93</b>	<b>1.18</b>	<b>186.00</b>	<b>747.11</b>
		<b>March 31, 2020</b>			
	<b>Particulars</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Investments</b>				
	Debt securities	-	-	169.50	<b>169.50</b>
	Mutual fund units	259.25	-	-	<b>259.25</b>
	Equity instruments	-	1.24	-	<b>1.24</b>
	<b>Total investments measured at fair value</b>	<b>259.25</b>	<b>1.24</b>	<b>169.50</b>	<b>429.99</b>
	<b>Total financial assets measured at fair value on a recurring basis</b>	<b>259.25</b>	<b>1.24</b>	<b>169.50</b>	<b>429.99</b>
	Carrying amounts of cash and cash equivalents, trade receivables, loans and trade and other payables as on March 31, 2021 and March 31, 2020 approximate the fair value because of their short-term nature. Difference between carrying amounts and fair values of other financials assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.				

## Notes to the Financial Statements (Continued)

38.1	Unobservable inputs used in measuring fair value categorised within Level 3 :									
	Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised as Level 3 in the fair value hierarchy:									
Type of financial instruments	Fair value of asset as on March 31, 2021	Fair value of liability as on March 31, 2021	Valuation techniques	Significant unobservable input	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	
Investment in units of Non-Convertible Debenture	186.00	-	"Discounted cash flow"	Expected future cash flows	INR 13,98,496 per NCD	5%	9.30	5%	(9.30)	
				Discount rate	17.47%	0.5%	(1.00)	0.5%	1.00	
<b>Total</b>	<b>186.00</b>	<b>-</b>					<b>8.30</b>		<b>(8.30)</b>	
Type of financial instruments	Fair value of asset as on March 31, 2020	Fair value of liability as on March 31, 2020	Valuation techniques	Significant unobservable input	Range of estimates (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	
Investment in units of Non-Convertible Debenture	169.50	-	"Discounted cash flow"	Expected future cash flows	INR 12,74,436 per NCD	5%	8.48	5%	(8.48)	
				Discount rate	17.34%	0.5%	(1.00)	0.5%	1.00	
<b>Total</b>	<b>169.50</b>	<b>-</b>					<b>7.48</b>		<b>(7.48)</b>	

(Currency: Indian rupees in millions)





## Notes to the Financial Statements *(Continued)*

39.	Total market risk exposure	March 31, 2021			March 31, 2020		
		Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
	<b>Particulars</b>						
	<b>Assets</b>						
	Cash and cash equivalent and other bank balances	87.29	-	87.29	24.57	-	24.57
	Financial assets at FVTPL	747.11	747.11	-	429.99	429.99	-
	Loans	-	-	-	1.03	-	1.03
	Trade receivables	161.00	-	161.00	101.98	-	101.98
	Trade receivables - related party	0.54	-	0.54	18.36	-	18.36
	Other Financial Assets	24.41	-	24.41	48.96	-	48.96
	<b>Total</b>	<b>1,020.35</b>	<b>747.11</b>	<b>273.24</b>	<b>624.89</b>	<b>429.99</b>	<b>194.90</b>
	<b>Liability</b>						
	Trade payables	74.50	-	74.50	105.87	-	105.87
	Trade payables - related party	10.59	-	10.59	12.71	-	12.71
	Lease liabilities	54.63	-	54.63	124.11	-	124.11
	Other liabilities	167.94	-	167.94	1.08	-	1.08
	<b>Total</b>	<b>307.66</b>	<b>-</b>	<b>307.66</b>	<b>243.77</b>	<b>-</b>	<b>243.77</b>

## Notes to the Financial Statements (continued)

40	<b>Contractual Maturity Analysis</b>	The table below summarises the maturity profile of the undiscounted cash flows of the company's financial liabilities, financial assets, derivatives and financial commitments as at March 31, 2021.						
	The tables have been drawn up based on the undiscounted cash flows i.e. the tables include both interest and principal cashflows. The contractual maturity with respect to financial liabilities is based on the earliest date on which the company can be required to pay. To the extent that interest flows are at floating rate, the undiscounted amount is derived based on the interest rates in force at the balance sheet date. Further, with regards to amounts payable in currencies other than Indian Rupees, the amounts are determined based on the spot exchange rates at the balance sheet date. The analysis with respect to financial assets is based on expected maturities. All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.							
	<b>A. Analysis of non-derivative financial liabilities by remaining contractual maturities</b>							
<b>As at March 31, 2021</b>	<b>On demand</b>	<b>1 to 14 days</b>	<b>15 days to 1 month</b>	<b>2 months to 3 months</b>	<b>3 months to 6 months</b>	<b>1 year to 3 years</b>	<b>Over 5 years</b>	<b>Total</b>
Trade payables	-	-	74.50	-	-	-	-	74.50
Trade payables - Related party	-	-	10.59	-	-	-	-	10.59
Lease liabilities	-	-	-	-	-	54.63	-	54.63
Other financial liabilities	-	-	167.94	-	-	-	-	167.94
<b>Total undiscounted non-derivative financial liabilities</b>	<b>-</b>	<b>-</b>	<b>253.03</b>	<b>-</b>	<b>-</b>	<b>54.63</b>	<b>-</b>	<b>307.66</b>
<b>As at March 31, 2020</b>	<b>On demand</b>	<b>1 to 14 days</b>	<b>15 days to 1 month</b>	<b>2 months to 3 months</b>	<b>3 months to 6 months</b>	<b>1 year to 3 years</b>	<b>Over 5 years</b>	<b>Total</b>
Trade payables	-	-	105.87	-	-	-	-	105.87
Trade payables - Related party	-	-	12.71	-	-	-	-	12.71
Lease liabilities	-	-	-	-	-	124.11	-	124.11
Other financial liabilities	-	-	1.08	-	-	-	-	1.08
<b>Total undiscounted non-derivative financial liabilities</b>	<b>-</b>	<b>-</b>	<b>119.66</b>	<b>-</b>	<b>-</b>	<b>124.11</b>	<b>-</b>	<b>243.77</b>



## Notes to the Financial Statements (continued)

40	<b>B. Analysis of non-derivative financial assets by remaining contractual maturities</b>									
	The table below summarises the maturity profile of the undiscounted cash flows of the Group's non-derivative financial assets as at 31 March.									
	<b>As at March 31, 2021</b>	<b>On demand</b>	<b>1 to 14 days</b>	<b>15 days to 1 month</b>	<b>2 months to 3 months</b>	<b>3 months to 6 months</b>	<b>1 year to 3 years</b>	<b>Over 5 years</b>	<b>Total</b>	
Cash and cash equivalent and other bank balances	-	-	87.29	-	-	-	-	-	87.29	
Trade receivables	-	-	-	-	161.00	-	-	-	161.00	
Trade receivables - Related party	-	-	-	-	0.54	-	-	-	0.54	
Loans	-	-	-	-	-	-	-	-	-	
Investments at fair value through profit or loss	-	-	271.95	-	-	186.00	-	289.16	747.11	
Other financial assets	-	-	-	-	-	-	24.41	-	24.41	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>359.24</b>	<b>-</b>	<b>161.54</b>	<b>186.00</b>	<b>24.41</b>	<b>289.16</b>	<b>1,020.35</b>	
Cash and cash equivalent and other bank balances	-	-	24.57	-	-	-	-	-	24.57	
Trade receivables	-	-	-	-	101.98	-	-	-	101.98	
Trade receivables - Related party	-	-	-	-	18.36	-	-	-	18.36	
Loans	-	-	-	-	1.03	-	-	-	1.03	
Investments at fair value through profit or loss	-	-	83.62	-	-	-	-	346.37	429.99	
Other financial assets	-	-	-	-	-	-	48.96	-	48.96	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>108.19</b>	<b>-</b>	<b>121.37</b>	<b>-</b>	<b>48.96</b>	<b>346.37</b>	<b>624.89</b>	



## Notes to the Financial Statements (Continued)

40	<b>C. Maturity analysis for derivatives:</b>									
	All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.									
<b>As at March 31, 2021</b>	<b>On demand</b>	<b>1 to 14 days</b>	<b>15 days to 1 month</b>	<b>2 months to 3 months</b>	<b>3 months to 6 months</b>	<b>1 year to 3 years</b>	<b>Over 5 years</b>	<b>Total</b>		
Net settled derivatives entered into for trading purposes	(0.34)	-	-	-	-	-	-	(0.34)		
Other net settled derivatives (other than those entered into for trading purposes)	-	-	-	-	-	-	-	-		
Contractual amounts payable	(0.34)	-	-	-	-	-	-	(0.34)		
<b>Total</b>	<b>0.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.34</b>		
<b>As at March 31, 2021</b>	<b>On demand</b>	<b>1 to 14 days</b>	<b>15 days to 1 month</b>	<b>2 months to 3 months</b>	<b>3 months to 6 months</b>	<b>1 year to 3 years</b>	<b>Over 5 years</b>	<b>Total</b>		
Net settled derivatives entered into for trading purposes	(0.76)	-	-	-	-	-	-	(0.76)		
Other net settled derivatives (other than those entered into for trading purposes)	-	-	-	-	-	-	-	-		
Contractual amounts payable	(0.76)	-	-	-	-	-	-	(0.76)		
<b>Total</b>	<b>0.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.76</b>		





## Notes to the Financial Statements *(Continued)*

<b>41</b>	<b>Sensitivity Analysis</b>						
	<b>Currency risk</b>						
	Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.						
	<b>2020 - 2021</b>						
	<b>Currency</b>	<b>Increase in currency rate (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>	<b>Decrease in currency rate (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>
	USD	5	0.02	0.02	5	(0.02)	(0.02)
	<b>2019 - 2020</b>						
	<b>Currency</b>	<b>Increase in currency rate (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>	<b>Decrease in currency rate (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>
	USD	5	-	-	5	-	-
	<b>Equity price risk</b>						
	Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.						
	<b>2020 - 2021</b>						
	<b>Impact on</b>	<b>Increase in equity price (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>	<b>Decrease in equity price (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>
	Derivatives	5	(1.97)	(1.97)	5	1.97	1.97
	Others (Investment in Equity shares of MF Utilities)	5	0.06	0.06	5	(0.06)	(0.06)
	<b>2019 - 2020</b>						
	<b>Impact on</b>	<b>Increase in equity price (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>	<b>Decrease in equity price (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>
	Derivatives	5	(1.32)	(1.32)	5	1.32	1.32
	Others (Investment in Equity shares of MF Utilities)	5	0.06	0.06	5	(0.06)	(0.06)
	<b>Other price risk</b>						
	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.						
	<b>2020 - 2021</b>						
	<b>Impact on</b>	<b>Increase in price (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>	<b>Decrease in price (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>
	Others (Invt. in Mutual funds)	5	28.00	28.00	5	(28.00)	(28.00)
	<b>2019 - 2020</b>						
	<b>Impact on</b>	<b>Increase in price (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>	<b>Decrease in price (%)</b>	<b>Effect on profit before tax</b>	<b>Effect on Equity</b>
	Others (Invt. in Mutual funds)	5	12.96	12.96	5	(12.96)	(12.96)



## Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

42	<b>Income Tax</b>		
	<b>The components of income tax expense for the years ended 31 March 2021 and 2020 are:</b>		
	<b>Particulars</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	Current tax	-	-
	Write-down of deferred tax asset (other than on unused tax losses and unused tax credits)	-	(0.58)
	<b>Total tax charge</b>	-	(0.58)
	Current tax	-	-
	MAT credit reversal	-	(0.58)
	<b>Reconciliation of total tax charge</b>		
	<b>Particulars</b>	<b>2020 - 2021</b>	<b>2019 - 2020</b>
	Accounting profit before tax as per financial statements	<b>47.82</b>	12.65
	Tax rate (in percentage)	<b>25.17%</b>	25.17%
	Income tax expense calculated based on this tax rate	<b>12.04</b>	3.18
	<b>Effect of income not subject to tax:</b>	<b>(12.04)</b>	(3.18)
	<b>Others</b>		
	Others	-	-
	Write-down of available tax credits which are not considered recoverable (for example, Minimum Alternate Tax credit)	-	(0.58)
	<b>Tax charge for the year recorded in P&amp;L</b>	-	(0.58)
	<p>The Company has entered into commercial leases for buildings. Some of the leases contain extensions and termination options such options have been considered while lease term only. Using modified retrospective method, as permitted by the said standard. Accordingly INR 137.98 is recognised as Right-of-use assets and Lease liability of INR 151.54 is created on April 01, 2019</p>		



## Notes to the Financial Statements *(Continued)*

(Currency: Indian rupees in millions)

<b>42</b>	<b>The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:</b>					
	Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.					
	<b>Movement for the period (2020-21)</b>					
		<b>Opening deferred tax asset / (liability) as per Ind AS</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income</b>	<b>Total movement</b>	<b>Closing deferred tax asset / (liability) as per Ind AS</b>
	<b>Deferred taxes in relation to:</b>					
	Property, Plant and Equipment	(98.48)	(17.32)	-	(17.32)	(115.80)
	Other investments (equity instruments)	5.50	13.63	-	13.63	19.13
	Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	91.18	4.51	-	4.51	95.69
	Others	1.80	(0.82)	-	(0.82)	0.98
	<b>Total</b>	-	-	-	-	-
	<b>Movement for the period (2019-20)</b>					
		<b>Opening deferred tax asset / (liability) as per Ind AS</b>	<b>Recognised in profit or loss</b>	<b>Recognised in other comprehensive income</b>	<b>Total movement</b>	<b>Closing deferred tax asset / (liability) as per Ind AS</b>
	<b>Deferred taxes in relation to:</b>					
	Property, Plant and Equipment	(77.18)	(21.30)	-	(21.30)	(98.48)
	Other investments (equity instruments)	(3.28)	8.78	-	8.78	5.50
	Unused tax losses (including but not limited to business losses, unabsorbed depreciation)	77.79	13.39	-	13.39	91.18
	Others	2.67	(0.87)	-	(0.87)	1.80
	<b>Total</b>	-	-	-	-	-



## Notes to the Financial Statements *(Continued)*

<b>43.</b>	The Company does not have any long-term contract including derivative contract for which there were any material foreseeable losses.
<b>44.</b>	<b>Subsequent Event</b>
	<p>Edelweiss Group is in the process of restructuring its businesses and in this regards PAG, an Asia-focused investment group, has acquired majority ownership and control of Edelweiss's Wealth Management ("EWM") business,</p> <p>As a part of the aforesaid restructuring process , EAML and ESL Securities Limited (ESL SL), which is part of EWM business, had executed a slump sale agreement dated May 19, 2021 wherein the Infinity PMS Business was agreed to be transferred from EAML to ESL SL. The said transaction has been approved by Board of Directors of EAML in its board meeting held on May 11, 2021.</p> <p>Pursuant to the same, all the rights and obligations of EAML under the Agreement shall stand assigned/novated/ transferred to ESL SL once the condition precedent to the agreement are completed.</p>
<b>45.</b>	For all the amounts below Rs. 5000/- in the schedules and notes of financial statements, the amounts are appearing zero on account of presentation of financial statements in Indian Rupees in millions.
<b>46.</b>	<b>Prior period comparatives</b>
	Previous year figures have been reclassified to conform to this year's classification. As per our report of even date attached

For **S.R. Batliboi & Co LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Shrawan Jalan**  
Partner  
Membership No: 102102

Mumbai, 26 May 2021

For and on behalf of the Board of Directors

**Hemant Daga**  
Director  
DIN - 07783248

**Nirav Sanghavi**  
Company Secretary

Mumbai, 26 May 2021

**Suresh Gurumani**  
Director  
DIN - 00636844

**Amit Malpani**  
Chief Financial Officer

**Radhika Gupta**  
Managing Director and CEO  
DIN - 02657595



### **Edelweiss Asset Management Limited**

#### **Registered Office and Corporate Office**

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#### **Corporate Identification Number**

U65991MH2007PLC173409

#### **Statutory Auditors**

S R Batliboi & Co. LLP  
12th Floor, The Ruby, 29, Senapati Bapat Marg, Dadar (W), Mumbai, Maharashtra 400028, India

#### **Registrar and Share Transfer Agent (RTA)**

kFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited)  
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