

**Independent Auditors' Report**

To  
**The Members of Edelweiss Alternative Asset Advisors Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Edelweiss Alternative Asset Advisors Limited ("the Company")**, which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

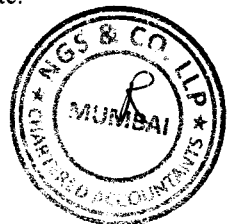
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

**Opinion**

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 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 31 March 2018, and its loss and its cash flows for the year ended on that date.



B - 46, 3<sup>rd</sup> Floor, Pravasi Estate, V N Road, Goregaon (E), Mumbai - 400 063.

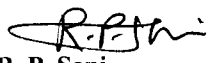
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**Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;
  - e. on the basis of written representations received from the Directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. 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, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigations which would impact its financial position;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
R. P. Soni  
Partner  
Membership No.:104796



Place: Mumbai  
Date: 27 April 2018

**Annexure A to the Auditors' Report**

**The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Alternative Asset Advisors Limited ('the Company') on the financial statements for the year ended 31 March 2018, we report that:**

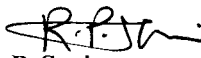
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) Based on our examination of documents and records, the Company does not own any inventory during the year. Therefore, the provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, services tax, goods and service tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, sales tax, value added tax, duty of excise and duty of custom.



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

- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, during the year, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

  
R. P. Soni  
Partner  
Membership No.:104796



Place: Mumbai  
Date: 27 April 2018

**Annexure B to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **Edelweiss Alternative Asset Advisors Limited ("the Company")** as of 31 March 2018 in conjunction with our audit of financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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



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

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

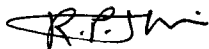
### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



**R. P. Soni**  
**Partner**  
**Membership No.: 104796**



Place: Mumbai  
Date: 27 April 2018

# Edelweiss Alternative Asset Advisors Limited

## Balance Sheet

(Currency: Indian rupees)

	Note	As at 31 March 2018	As at 31 March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2.1	23,747,370	23,747,370
Reserves and surplus	2.2	(497,168,289)	(374,817,697)
		(473,420,919)	(351,070,327)
<b>Non-current liabilities</b>			
Long-term provisions	2.3	6,522,000	3,403,000
<b>Current liabilities</b>			
Short-term borrowings	2.4	956,173,339	362,896,813
Trade payables			
Total outstanding due of micro enterprises and small enterprises	2.25	-	-
Total outstanding due of creditors other than micro enterprises and small enterprises	2.5	41,546,968	8,799,129
Other current liabilities	2.6	250,340,480	89,085,039
Short-term provisions	2.7	1,242,237	13,348,986
<b>TOTAL</b>		<b>782,404,105</b>	<b>126,462,640</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property, plant and equipment	2.8	9,224,939	9,976,118
Intangible assets	2.8	1,264,029	1,496,916
Non-current investments	2.9	41,273,652	42,848,943
Deferred tax assets	2.10	2,710,277	6,198,380
Long-term loans and advances	2.11	28,025,181	21,684,816
		82,498,078	82,205,173
<b>Current assets</b>			
Trade receivables	2.12	604,602,920	13,327,811
Cash and cash equivalents	2.13	4,819,046	14,408
Short-term loans and advances	2.14	89,375,394	29,635,431
Other current assets	2.15	1,108,667	1,279,817
		699,906,027	44,257,467
<b>TOTAL</b>		<b>782,404,105</b>	<b>126,462,640</b>

Significant accounting policies and notes to the financial statements

1 & 2

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



R. P. Soni

Partner

Membership No.: 104796



Mumbai

27 April 2018

For and on behalf of the Board of Directors



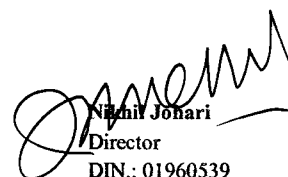
Anurag Madan

Director

DIN.: 00010324

Mumbai

27 April 2018



Nishit Johari

Director

DIN.: 01960539

27 April 2018

# Edelweiss Alternative Asset Advisors Limited

## Statement of Profit and Loss

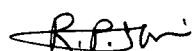
(Currency: Indian rupees)

Particulars		For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue from operations</b>			
Fee income	2.16	665,784,116	89,836,561
<b>Other income</b>	2.17	10,034,262	5,422,005
<b>Total revenue</b>		<u>675,818,378</u>	<u>95,258,566</u>
<b>Expenses</b>			
Employee benefit expenses	2.18	592,012,873	248,822,730
Finance costs	2.19	66,329,811	24,444,407
Depreciation and ammortisation expenses	2.8	6,660,016	5,568,227
Other expenses	2.20	129,573,014	68,371,843
<b>Total expenses</b>		<u>794,575,714</u>	<u>347,207,207</u>
<b>Loss before tax</b>		(118,757,336)	(251,948,641)
<b>Tax expense:</b>			
Current tax (includes short provision of earlier years Rs 101,153, previous year: excess provision of earlier years written back Rs 8,750,461 )		105,153	(8,750,461)
Deferred tax charge		3,488,103	4,619,703
<b>Loss for the year</b>		<u>(122,350,592)</u>	<u>(247,817,883)</u>
<b>Earnings per equity share (face value Rs.10 each):</b>	2.23		
Basic and diluted		(51.52)	(104.36)

Significant accounting policies and notes to the financial statements 1 & 2

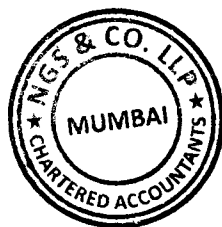
As per our report of even date attached.

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



R. P. Soni  
Partner  
Membership No.: 104796

Mumbai  
27 April 2018



For and on behalf of the Board of Directors



Anurag Madan  
Director  
DIN.: 00010324

Mumbai  
27 April 2018



Nikhil Johari  
Director  
DIN.: 01960539

27 April 2018

# Edelweiss Alternative Asset Advisors Limited

## Cash Flow Statement

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A Cash flow from operating activities</b>		
Loss before taxation	(118,757,336)	(251,948,641)
Adjustments for		
Depreciation and amortisation expenses	6,660,016	5,568,227
Provision for compensated absences	843,057	1,557,000
Advances written off	400,000	-
Profit on sale of fixed assets	(909,685)	(21,583)
Interest income	(7,268,129)	(3,700,990)
Interest expense	66,315,580	24,427,369
<b>Operating cash flow before working capital changes</b>	<b>(52,716,497)</b>	<b>(224,118,618)</b>
Add / (less): Adjustments for working capital changes		
Increase in trade receivables	(591,275,109)	(2,787,320)
Increase in loans and advances	(60,503,512)	(24,116,567)
Increase/(decrease) in trade payables, current liabilities and provisions	183,574,253	(8,445,556)
<b>Cash used in operations</b>	<b>(520,920,865)</b>	<b>(259,468,061)</b>
Income taxes (refund received) / paid	(6,081,969)	684,845
<b>Net cash used in operating activity - A</b>	<b>(527,002,834)</b>	<b>(258,783,216)</b>
<b>B Cash flow from investing activities</b>		
Purchase of investments	-	(33,750,000)
Amount received on capital redemption of investments	1,575,291	2,623,076
Purchase of fixed assets	(6,839,534)	(7,029,704)
Sale of fixed assets	2,073,268	132,434
Interest received	7,439,279	2,537,465
<b>Net cash generated from / (used in) investing activities - B</b>	<b>4,248,304</b>	<b>(35,486,729)</b>
<b>C Cash flow from financing activities</b>		
Proceeds from short term borrowings (net) (refer note 2)	593,276,526	279,456,281
Interest paid	(65,717,358)	(21,710,224)
<b>Net cash generated from financing activities - C</b>	<b>527,559,168</b>	<b>257,746,057</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>4,804,638</b>	<b>(36,523,888)</b>
Note :		
1 Cash and cash equivalents as at the beginning of the year	14,408	36,538,296
Cash and cash equivalents as at the end of the year (refer note 2.13)	4,819,046	14,408
2 Net figures have been reported on account of volume of transactions.		

As per our report of even date attached.

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

R. P. Soni  
Partner  
Membership No.: 104796

Mumbai  
27 April 2018



For and on behalf of the Board of Directors

Anurag Madan  
Director  
DIN.: 00010324

Mumbai  
27 April 2018

Nikhil Johari  
Director  
DIN.: 01960539

27 April 2018

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements for the year ended 31 March 2018

(Currency: Indian rupees)

### 1 Significant accounting policies

#### 1.1 Basis of preparation of financial statements

The accompanying financial statements are prepared and presented in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention, on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Companies Act, 2013, (hereinafter referred to as 'the Act') and the Schedule III to the Act. The financial statements are presented in Indian Rupees.

#### 1.2 Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, disclosure of contingent liabilities on date of the financial statements and reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 1.3 Current/non-current classification

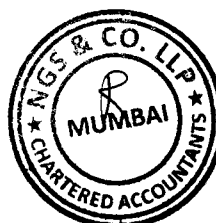
All assets and liabilities are classified into current and non-current.

##### Assets

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

##### Liabilities

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



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 1 Significant accounting policies (continued)

#### 1.4 Revenue recognition

- a) Fee income is accounted for, on an accrual basis in accordance with the terms and conditions of contracts entered into between the Company and the counterparty.
- b) Interest income is recognised on accrual basis.
- c) Profit/loss earned on sale of investments is recognised on trade date basis. Profit/loss on sale of investments is determined based on the weighted average cost of the investments sold.

#### 1.5 Investments

Investments are classified into non-current investments and current investments. Investments which are intended to be held for one year or more are classified as non-current investments and investments which are intended to be held for less than one year are classified as current investments.

Non-current investments are carried at cost less diminution in value which is other than temporary, determined separately for each investment.

Current investments are carried at lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. In case of investments in mutual funds, the net asset value of units declared by the mutual funds is considered as the fair value.

#### 1.6 Fixed assets and depreciation

##### Property, plant and equipment

Fixed assets are stated at cost less accumulated depreciation. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

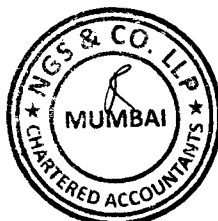
Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

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

Nature of assets	Useful life
Motor vehicles	8 years
Office equipments	5 years
Computers and data processing units - servers and networks	6 years
Computers and data processing units - end user devices, such as desktops, laptops, etc.	3 years

##### Intangible fixed assets

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



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 1 Significant accounting policies (continued)

#### 1.7 Impairment of 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 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.

#### 1.8 Employee benefits

The accounting policy followed by the Company in respect of its employee benefit schemes in accordance with Accounting Standard 15 (revised 2005) is set out below:

##### *Provident fund*

The Company contributes to a recognised provident fund 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 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 actuarial valuation using the Projected Unit Credit Method. The obligation is measured at present values of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on government securities as at the balance sheet date. Benefits in respect of gratuity are funded with an Insurance Company approved by Insurance Regulatory and Development Authority (IRDA).

Actuarial gains and losses arising from experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise.

##### *Compensated absences*

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



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 1 Significant accounting policies (continued)

#### 1.8 Employee benefits (continued)

##### *Deferred bonus:*

The Company has adopted a Deferred Bonus Plan under its Deferred Variable Compensation Plan. A pool of identified senior employees of the Company is entitled for benefits under this plan. Such deferred compensation will be paid in a phased manner over a future period of time. The measurement for the same has been based on actuarial assumptions and principles. These assumptions and principles are consistent with the requirements of Accounting Standard 15 (Revised 2005).

#### 1.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, demand deposits with banks and other fixed deposits with bank with original maturities of three months or less.

#### 1.10 Taxation

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Act, 1961), deferred tax charge or benefit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

##### *Current tax*

Provision for current tax is recognised based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

##### *Deferred tax*

The deferred tax charge or benefit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

##### *Minimum Alternative tax (MAT) Credit*

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



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 1 Significant accounting policies (continued)

#### 1.11 Earnings per share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard 20 – “Earnings Per Share” as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 during the year.

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

#### 1.12 Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

#### 1.13 Foreign currency transactions

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognised in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date. The exchange differences, if any, are recognised in the statement of profit and loss and related assets and liabilities are accordingly restated in the balance sheet.

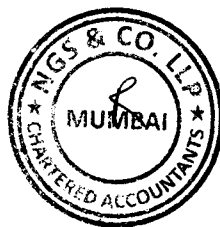


## Edelweiss Alternative Asset Advisors Limited

### Notes to financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.1 Share capital</b>		
a. <b>Authorised :</b> 3,000,000 (Previous year: 3,000,000) equity shares of Rs. 10/- each	<u>30,000,000</u>	<u>30,000,000</u>
b. <b>Issued, subscribed and paid up:</b> 2,374,737 (Previous year: 2,374,737) equity shares of Rs. 10/- each, fully paid-up	<u>23,747,370</u>	<u>23,747,370</u>
	<u>23,747,370</u>	<u>23,747,370</u>
c. <b>The movement in share capital during the year :</b>		
	As at 31 March 2018	As at 31 March 2017
<i>Equity shares</i>	No of shares Amount	No of shares Amount
Number of shares outstanding at the beginning of the year	2,374,737 23,747,370	2,374,737 23,747,370
Shares issued during the year	- -	- -
Number of shares at the end of the year	<u>2,374,737</u> <u>23,747,370</u>	<u>2,374,737</u> <u>23,747,370</u>
d. <b>Details of shareholders holding more than 5% shares in the company:</b>		
	As at 31 March 2018	As at 31 March 2017
	No of shares Percentage of share holding	No of shares Percentage of share holding
Edelweiss Financial Services Limited and its nominees.	2,256,000 95%	2,256,000 95%
	<u>2,256,000</u> <u>95%</u>	<u>2,256,000</u> <u>95%</u>
e. <b>Terms/rights attached to equity shares</b> The Company has only one class of shares, referred to as equity shares, having a par value of Rs 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>2.2 Reserves and surplus</b>		
Securities premium reserves		
Opening balance	119,111,620	119,111,620
Add: Additions during the year	-	-
Closing balance	<u>119,111,620</u>	<u>119,111,620</u>
Deficit in statement of profit and loss		
Opening balance	(493,929,317)	(246,111,434)
Add: Loss for the year	<u>(122,350,592)</u>	<u>(247,817,883)</u>
Closing balance	<u>(616,279,909)</u>	<u>(493,929,317)</u>
	<u>(497,168,289)</u>	<u>(374,817,697)</u>



# Edelweiss Alternative Asset Advisors Limited

## Notes to financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.3 Long-term provisions</b>		
Provision for employee benefits		
Gratuity	2,517,000	80,000
Compensated absences	4,005,000	3,323,000
	<u>6,522,000</u>	<u>3,403,000</u>
<b>2.4 Short-term borrowings</b>		
<b><u>Unsecured</u></b>		
Loan from fellow subsidiary	956,173,339	362,896,813
(Fixed rate loan at 10% p.a (previous year:10% p.a) repayable on demand)	<u>956,173,339</u>	<u>362,896,813</u>



# Edelweiss Alternative Asset Advisors Limited

## Notes to financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.5 Trade payables</b>		
Trade payables from non-related parties	21,546,379	8,536,265
Trade payables from related parties	20,000,589	262,864
	<u>41,546,968.00</u>	<u>8,799,129.00</u>



# Edelweiss Alternative Asset Advisors Limited

## Notes to financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.6 Other current liabilities</b>		
Interest accrued and due on borrowings	3,744,904	3,146,682
Income received in advance	1,127,076	1,454,803
Other payables *		
Accrued salaries and benefits	180,065,849	71,688,409
Withholding taxes, service tax and other statutory dues payable	62,267,325	9,529,803
Book overdraft	-	407,546
Others	3,135,326	2,857,796
	<u>250,340,480</u>	<u>89,085,039</u>
(* There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2018 (As at 31 March 2017: Nil))		
<b>2.7 Short-term provisions</b>		
Provision for employee benefits		
Compensated absences	798,057	637,000
Deferred bonus	-	11,970,657
Others		
Provision for capital expenditure	444,180	741,329
	<u>1,242,237</u>	<u>13,348,986</u>



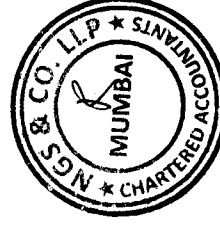
## Edelweiss Alternative Asset Advisors Limited

### Notes to financial statements (continued)

(Currency: Indian rupees)

#### 2.8 Fixed assets

Description of assets	Gross block			Depreciation and amortization			Net block		
	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 March 2018	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 March 2018	As at 31 March 2017
(A) Property, plant and equipment									
Office equipment	3,705,950	52,499	435,186	3,323,263	1,762,495	875,655	387,896	2,250,254	1,073,009
Motor vehicle	14,286,275	3,053,599	2,972,245	14,367,629	7,343,620	3,160,507	1,857,911	8,646,216	5,721,413
Computers	3,628,465	2,749,140	58,419	6,319,186	2,538,457	1,406,671	56,459	3,888,669	2,430,517
Total : A	21,620,690	5,855,238	3,465,850	24,010,078	11,644,572	5,442,833	2,302,266	14,785,139	9,224,939
(B) Intangible assets									
Computer software	3,323,155	984,296	-	4,307,451	1,826,239	1,217,183	-	3,043,422	1,264,029
Total : B	3,323,155	984,296	-	4,307,451	1,826,239	1,217,183	-	3,043,422	1,264,029
Grand Total [A+B]	24,943,845	6,839,534	3,465,850	28,317,529	13,470,811	6,660,016	2,302,266	17,828,561	11,473,034
Previous year	18,683,325	7,029,704	769,184	24,943,845	8,560,917	5,568,227	658,333	13,470,811	11,473,034
									-



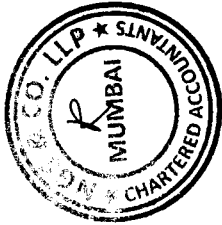
**Edelweiss Alternative Asset Advisors Limited**

**Notes to financial statements (continued)**

(Currency: Indian rupees)

**2.9 Non-current investments - at cost**

	As at			As at		
	Face Value	31 March 2018 Quantity	Amount	Face Value	31 March 2017 Quantity	Amount
Others (unquoted)						
Edelweiss Stressed and Troubled Assets Revival Fund	10,000	5,000	41,273,652	10,000	5,000	42,848,943
			<u>41,273,652</u>			<u>42,848,943</u>
Aggregate of unquoted investment			41,273,652			42,848,943
- At book value						



# Edelweiss Alternative Asset Advisors Limited

## Notes to financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.10 Deferred tax assets</b>		
<b>Deferred tax asset</b>		
Disallowances under section 43B of the Income Tax Act, 1961	1,248,795	5,000,164
Difference between book and tax depreciation	1,461,482	1,198,216
	<u>2,710,277</u>	<u>6,198,380</u>
<b>2.11 Long-term loans and advances</b>		
<b>Other advances</b>		
Prepaid expenses	7,827,443	5,224,395
Advance income tax and tax deducted at source (net of provision for taxation)	20,197,738	16,460,421
	<u>28,025,181</u>	<u>21,684,816</u>



# Edelweiss Alternative Asset Advisors Limited

## Notes to financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.12 Trade receivables</b>		
Unsecured, considered good		
Other debts	604,602,920	13,327,811
	<u>604,602,920</u>	<u>13,327,811</u>
<b>2.13 Cash and cash equivalents</b>		
Cash in hand	15,856	14,408
Balances with banks		
- in current accounts	4,803,190	-
	<u>4,819,046</u>	<u>14,408</u>



# Edelweiss Alternative Asset Advisors Limited

## Notes to financial statements (continued)

(Currency: Indian rupees)

	As at 31 March 2018	As at 31 March 2017
<b>2.14 Short-term loans and advances</b>		
Deposits- others	-	400,000
Prepaid expenses	4,582,948	2,854,218
Loans and advances to employees	7,713,707	7,256,036
Vendor advances	1,556,206	234,581
Input tax credit	-	3,684,202
Advance income tax and tax deducted at source (net of provision for taxation)	4,579,792	2,340,293
MAT credit entitlement	867,013	867,013
Advances recoverable in cash or in kind or for value to be received	70,075,728	11,999,088
	<u>89,375,394</u>	<u>29,635,431</u>
<b>2.15 Other current assets</b>		
Accrued interest on investments	1,108,667	1,279,817
	<u>1,108,667</u>	<u>1,279,817</u>



# Edelweiss Alternative Asset Advisors Limited

## Notes to financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.16 Fee income</b>		
Advisory and other fees	665,784,116	89,836,561
	<u>665,784,116</u>	<u>89,836,561</u>
<b>2.17 Other income</b>		
Miscellaneous income	-	816
Interest income - others	9,124,577	5,399,606
Profit on sale of fixed assets (net)	909,685	21,583
	<u>10,034,262</u>	<u>5,422,005</u>



# Edelweiss Alternative Asset Advisors Limited

## Notes to financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.18 Employee benefit expenses</b>		
Salaries and wages	563,979,698	235,165,168
Contribution to provident and other funds	19,243,669	9,239,483
Staff welfare expenses	8,789,506	4,418,079
	<u>592,012,873</u>	<u>248,822,730</u>
<b>2.19 Finance costs</b>		
Interest on loan	66,312,863	24,427,369
Interest - others	2,717	955
Financial and bank charges	14,231	16,083
	<u>66,329,811</u>	<u>24,444,407</u>



# Edelweiss Alternative Asset Advisors Limited

## Notes to financial statements (continued)

(Currency: Indian rupees)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>2.20 Other expenses</b>		
Advertisement and business promotion	4,084,848	3,784,499
Auditors' remuneration (refer note below)	347,000	214,000
Communication expenses	3,400,504	2,540,374
Computer expenses	1,031,637	101,080
Computer software	41,764	39,164
Electricity charges	2,861,792	1,747,126
Foreign exchange loss	89,674	514,160
Insurance expenses	9,942	7,193
Legal and professional fees	47,536,854	6,752,389
Membership and subscription	2,415,637	2,439,025
Office expenses	810,514	537,370
Postage and courier	2,000	-
Printing and stationery	2,209,249	2,469,319
Rates and taxes	149,280	524,077
Rent	24,267,329	12,733,761
Repairs and maintenance - others	55,437	35,367
ROC expenses	200	2,800
Seminar and conference	56,475	687,386
Service tax expenses	531,962	277,737
Travelling and conveyance	39,265,168	32,964,157
Miscellaneous expenses	405,748	859
	<b>129,573,014</b>	<b>68,371,843</b>
<b>Note:</b>		
<b>Auditors' remuneration:</b>		
As auditor	347,000	214,000
For reimbursement of expenses	-	-
	<b>347,000</b>	<b>214,000</b>



# Edelweiss Alternative Asset Advisors Limited

## Notes to financial statements (continued)

(Currency: Indian Rupees)

### 2.21 Segment reporting

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

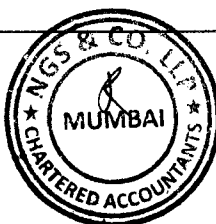
Segment	Activities covered
Capital based business	Income from income from investments, dividend income and treasury operations.
Agency business	Fee income

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

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared. Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment.

The following table gives information on segment assets and liabilities as at 31 March 2018 and the segment revenue, expenses and result for the year ended on that date:

	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
I	Segment revenue		
	a) Capital based business	7,326,269	3,731,179
	b) Agency business	667,287,001	90,410,974
	c) Unallocated	1,205,108	1,116,413
	Total	675,818,378	95,258,566
	Less : Inter segment revenue	-	-
	Total Income	675,818,378	95,258,566
II	Segment results		
	a) Capital based business	(505,340)	(28,736,141)
	b) Agency business	(118,886,884)	(223,122,161)
	c) Unallocated	634,888	(90,339)
	Total	(118,757,336)	(251,948,641)
	Profit before taxation	(118,757,336)	(251,948,641)
	Less : Provision for taxation	3,593,256	(4,130,758)
	Profit after taxation	(122,350,592)	(247,817,883)
	Particulars	As at 31 March 2018	As at 31 March 2017
III	Segment assets		
	a) Capital based business	42,615,984	45,391,604
	b) Agency business	706,613,115	55,132,405
	c) Unallocated	33,175,006	25,938,631
	Total	782,404,105	126,462,640
IV	Segment liabilities		
	a) Capital based business	11,892,170	256,348,802
	b) Agency business	1,243,543,806	211,044,333
	c) Unallocated	389,048	10,139,832
	Total	1,255,825,024	477,532,967
V	Capital expenditure (Including capital work-in-progress)		
	a) Capital based business	68,395	351,485
	b) Agency business	6,771,139	6,678,219
	c) Unallocated	-	-
	Total	6,839,534	7,029,704
VI	Depreciation and amortisation		
	a) Capital based business	66,600	278,411
	b) Agency business	6,593,416	5,289,816
	c) Unallocated	-	-
	Total	6,660,016	5,568,227
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	8,431	77,850
	b) Agency business	1,234,626	1,479,150
	c) Unallocated	-	-
	Total	1,243,057	1,557,000



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

**2.22 Disclosure as required by Accounting Standard 18 – “Related Party Disclosure” as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014:**

**(A) Name of related party by whom control is exercised:**

Edelweiss Financial Services Limited Holding company

**(B) Fellow subsidiaries with whom transactions have taken place:**

Edelweiss Commodities and Services Limited  
Edelweiss Alternative Asset Advisors Pte Limited  
Edelweiss Business Services Limited  
(Formerly known as Edelweiss Web Services Limited)  
Eternity Business Centre Limited (Till 31 March 2017)  
Edelweiss Broking Limited  
Edelweiss Asset Management limited  
Edelweiss Insurance Brokers Limited  
Edelweiss Custodial Services limited  
ECL Finance Limited  
Edelweiss Asset Reconstruction Company Limited  
Burlington Business Solutions Limited (Till 31 March 2017)  
Auris Corporate Centre Limited ((Till 31 March 2017)  
EFSL Trading Limited  
Edelcap Securities Limited  
Edelweiss Finvest Private Limited  
ECap Equities Limited  
Edelweiss Finance & Investments Limited  
Edelweiss Securities Limited  
Edelweiss Global Wealth Management Limited  
Allium Finance Private Limited



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.23 Earnings per share

In accordance with Accounting Standard 20 on Earnings Per Share notified under section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014, the computation of earnings per share is set out below:

	For the year ended 31 March 2018	For the year ended 31 March 2017
a) Net amount attributable to the equity shareholders (as per statement of profit and loss)	(122,350,592)	(247,817,883)
b) Calculation of weighted average number of equity Shares of Rs 10 each:		
– Number of shares at the beginning of the year	2,374,737	2,374,737
S – Shares issued during the year		
Total number of equity shares outstanding at the end of the year	2,374,737	2,374,737
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	2,374,737	2,374,737
c) Basic and diluted earnings per share (in rupees) (a/b)	(51.52)	(104.36)

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

### 2.24 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

#### A) Defined contribution plan - Provident fund

Amount of **Rs. 12,550,517/-** (previous year Rs. 6,687,278/-) is recognised as expense and included in "Employee benefit expenses" – Note 2.18 in the statement of profit and loss.

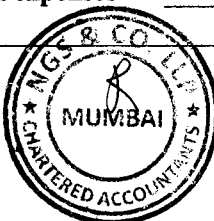
#### B) Retirement benefit – gratuity

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

#### Statement of profit and loss

Net employee benefits expenses:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	39,47,000	30,50,000
Interest on defined benefit obligation	1,237,000	1,006,000
Expected return on plan assets	(994,000)	(645,000)
Past Service Cost	4,635,000	-
Actuarial (gain) / loss	(2,133,000)	(1,694,053)
<b>Total included in employee benefit expenses</b>	<b>6,692,000</b>	<b>1,716,947</b>



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.24 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued)

#### Balance sheet

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

	As at 31 March 2018	As at 31 March 2017
Liability at the beginning of the year	16,445,000	8,855,291
Interest cost	1,237,000	1,006,000
Current service cost	3,947,000	3,050,000
Transfer in/(out)	1,745,000	4,736,000
Past Service cost	4,635,000	-
Benefits Paid	(3,485,000)	(130,000)
Actuarial (gain)/loss on obligations	(1,787,000)	(1,072,291)
<b>Liability at the end of the year</b>	<b>22,737,000</b>	<b>16,445,000</b>

Changes in fair value of plan assets are as follows:

	As at 31 March 2018	As at 31 March 2017
Fair value at the beginning of the year	16,365,000	8,728,237
Expected return on plan assets	994,000	645,000
Contributions	60,00,000	65,00,000
Benefits paid	(3,485,000)	(130,000)
Actuarial gain/(loss)	346,000	621,763
<b>Fair value of plan assets at the end of the year</b>	<b>20,220,000</b>	<b>16,365,000</b>

Amount recognised in the Balance Sheet:

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014
Liability at the end of the year	22,737,000	16,445,000	8,855,291	6,337,061	5,614,000
Fair value of plan assets at the end of the year	20,220,000	16,365,000	8,728,237	6,339,880	4,008,000
<b>Amount recognized in Balance sheet (assets)/liabilities</b>	<b>2,517,000</b>	<b>80,000</b>	<b>127,054</b>	<b>(2,819)</b>	<b>1,606,000</b>



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.24 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits (continued)

#### Net Liability/Asset recognised in the Balance Sheet:

	As at 31 March 2018	As at 31 March 2017
Present value of DBO	22,737,000	16,445,000
Fair value of Plan assets	20,220,000	16,365,000
Net Liability/Asset	25,17,000	80,000
Less: Unrecognised Past Service Cost	-	-
Liability/(Asset) recognised in the Balance Sheet	25,17,000	80,000
Of which, Short term Provision	-	-

#### Experience adjustment:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
On plan liabilities: (gain) / loss	(22,737,000)	(1,635,000)	791,000	(532,000)	279,000
On plan assets: gain /( loss)	20,220,000	587,000	120,000	723,000	4,000

#### Principle actuarial assumptions at the balance sheet date:

	As at 31 March 2018	As at 31 March 2017
Discount rate current	7.30%	6.80%
Salary escalation rate	7.00%	7.00%
Employees attrition rate	13%-25%	13%-25%

### 2.25 Details of dues to micro, small and medium enterprises

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

### 2.26 Capital commitments and contingent liabilities

Uncalled liabilities on non current investments are Nil as at balance sheet date (Previous year: Rs. Nil).

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 104,113. (Previous year: Rs 818,000).



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.27 Cost Sharing

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 including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, actual identifications etc. Accordingly, and as identified appropriately, the expenditure heads in Note 2.20 are gross of the reimbursements.

### 2.28 Earnings and expenditure in foreign currency

The Company has undertaken the following transactions in foreign currency:

#### (a) Expenditure incurred in foreign currency (on accrual basis)

	For the year ended March 2018	For the year ended March 2017
Travelling and conveyance	1,678,304	1,306,941
Advertisement and business promotion	2,633,149	1,218,575
Staff Welfare expenses	-	132,831
Market data services	2,563,124	-
<b>Total</b>	<b>6,874,557</b>	<b>2,658,347</b>

#### (b) Income earned in foreign currency (on accrual basis)

	For the year ended March 2018	For the year ended March 2017
Advisory and other fees	186,871,699	46,540,709
<b>Total</b>	<b>186,871,699</b>	<b>46,540,709</b>

- 2.29 The beneficial owner of the Company has confirmed its intention to provide continuing financial support to the Company so as to enable the Company to continue operating in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

(Currency: Indian rupees)

### 2.30 Disclosure on Specified Bank notes (SBN's) pursuant to notification as per amended Schedule III of the Companies Act, 2013:

As at 31 March 2018: Not applicable

As at 31 March 2017:

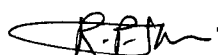
	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	50,000	63	500,63
(+) Permitted receipts	Nil	80	80
(-) Permitted payments	Nil	Nil	Nil
(-) Amount deposited in Banks	50,000	Nil	50,000
Closing cash in hand as on 30.12.2016	NIL	143	143

### 2.31 Previous year comparatives

Previous year figures have been regrouped and rearranged wherever necessary.

As per our report of even date attached

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



**R. P. Soni**  
Partner  
Membership No.: 104796  
Mumbai  
27 April 2018

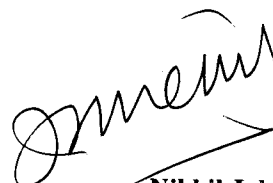


For and on behalf of the Board of Directors



**Anurag Madan**  
Director  
DIN.: 00010324

27 April 2018



**Nikhil Johari**  
Director  
DIN.: 01960539

27 April 2018