INDEPENDENT AUDITOR'S REPORT

To the Members of **EAAA LLC**

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **EAAA LLC** ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

This being a foreign company, the requirement regarding reporting on Other Information clause is not applicable to the Company.

Responsibility of Management for the Special Purpose Financial Statements

The Company's Board of Directors is responsible the preparation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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www.ngsco.in

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Special Purpose Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to special purpose financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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MUMBAI
CHARTERED ACCOUNTANTS

This report is issued at the request of the Company and is intended solely for the information and use of the Edelweiss Financial Services Limited ('Ultimate Holding Company' or 'EFSL'), for the purpose of presentation of its consolidated audited financial statements for the year ended March 31, 2020 and for the use of S.R. Batliboi & Co. LLP (the current statutory auditor of EFSL) in conjunction with the audit of consolidated financial statements and is not intended to be and should not be used for any other purpose.

Report on Other Legal and Regulatory Requirements

1. As required for the purpose of special purpose financial statements, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid special purpose financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these special purpose financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report;

   (f) As informed to us, the Company being an foreign company, the requirements for provision of section 197(16) of the Companies Act, 2013 are not applicable.

   (g) With respect to the other matters to be included in the Auditor's Report 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; and

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

R.P. Soni
Partner
Membership No.: 104796

UDIN: 20104796AAABAR2384

Place : Mumbai
Date : June 26, 2020

Annexure A
Report on the Internal Financial Controls

We have audited the internal financial controls over financial reporting of **EAAA LLC** ("the Company") as of March 31, 2020 in conjunction with our audit of the special purpose financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

NGS & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Special purpose Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these special purpose financial statements and such internal financial controls over financial reporting with reference to these special purpose financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

R.P. Soni
Partner
Membership No.: 104796

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

UDIN: 20104796AAABAR2384

Place : Mumbai
Date : June 26, 2020

EAAA LLC

Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Financial assets			
Cash and cash equivalents	7	5,662,115	4,552,679
Trade receivables	8	3,314,497	-
Loans	9	42,930,630	45,197,319
Investments	10	317,977	7,860,346
Other financial assets	11	2,663,124	5,288,971
		54,888,343	62,899,315
Non-financial assets			
Other non- financial assets	12	581,415	298,388
Property, Plant and Equipment	13	684,889	-
Other Intangible assets	13	32,340	-
		1,298,644	298,388
TOTAL ASSETS		56,186,987	63,197,703
LIABILITIES AND EQUITY			
Financial liabilities			
Trade payables		4,025,862	533,172
		4,025,862	533,172
Non-financial liabilities			
Provision	14	69,280	-
Other non-financial liabilities	15	158,872	-
		228,152	-
EQUITY			
Equity share capital	16	62,473,338	62,473,338
Other equity		(10,540,365)	191,193
		51,932,973	62,664,531
TOTAL LIABILITIES AND EQUITY		56,186,987	63,197,703
Significant accounting policies and notes to the financial statements	1 to 35		

As per our report of even date attached

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

For and on behalf of the Board of Directors

R.P.Soni
Partner
Membership No.: 104796
26 June 2020

Vivek Sharma
Director
26 June 2020

Ashish Pithawala
Director
26 June 2020

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Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from operations			
Interest income	17	841,405	1,162,602
Fee income	18	4,381,120	-
Other income	19	841	-
Total income		5,223,366	1,162,602
Expenses			
Finance costs	20	330,331	329,576
Depreciation, amortisation and impairment	13	303,508	-
Employee benefit expenses	21	3,146,191	-
Impairment on financial instruments	22	5,908,815	121,794,524
Other expenses	23	10,917,947	16,307,060
Total expenses		20,606,792	138,431,160
Loss before tax		(15,383,426)	(137,268,558)
Tax expenses:			
Current tax	24	-	1,909,434
Loss for the year		(15,383,426)	(139,177,992)
Other Comprehensive Income			
Items that will be reclassified to profit or loss			
Foreign Exchange Translation Reserve		4,651,868	13,386,954
Other Comprehensive Income		4,651,868	13,386,954
Total Comprehensive Income		(10,731,558)	(125,791,038)
Earnings per equity share (face value of USD 1 each)	25		
Basic and Diluted		(13.97)	(126.41)
Significant accounting policies and notes to the financial statements	1 to 35		

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
26 June 2020

For and on behalf of the Board of Directors

Vivek Sharma
Director

26 June 2020

Ashish Pithawala
Director

26 June 2020

EAAA LLC

Cash Flow Statement

(Currency. Indian rupees)

		For the year ended 31 March 2020	For the year ended 31 March 2019
A	**Cash flow from operating activities**		
	Loss before tax	(15,383,426)	(137,268,558)
	Adjustments for		
	Interest income	(841,405)	(1,162,602)
	Impairment on financial instruments	5,908,815	121,794,524
	Compensated absence	65,138	-
	Depreciation	303,508	-
	Operating cash flow before working capital changes	(9,947,370)	(15,636,636)
	Adjustments for working capital changes		
	Increase in trade receivables	(3,116,340)	-
	Decrease/(increase) in other financial assets	(2,503,945)	2,280,277
	Increase in other non- financial assets	(240,918)	(17,739)
	Increase in other non financial liability	149,413	-
	(Decrease)/increase in trade Payables	3,238,536	(169,628)
	Cash (used in) / generated from operating activities	(12,420,624)	(14,543,726)
	Income taxes paid	-	1,909,434
	Net cash (used in) / generated from operating activities - A	(12,420,624)	(16,453,160)
B	**Cash flow from Investing activities**		
	Purchase of investments	(213)	(139,103)
	Interest received on loans given	263,741	308,937
	Purchase of propoerty, plant & equipment	(977,848)	-
	Sale of subsdiairy company	3,786,573	-
	Amount received on liquidation of subsdiary company	3,536,866	-
	Loan given to related parties (net) (refer note 1 below)	6,469,857	21,141,214
	Net cash generated from investing activities - B	13,078,976	21,311,048
C	**Cash flow from financing activities**		
	Repayment of borrowings (other than debt securities) (refer note 1 below)	-	(5,203,528)
	Net cash used in financing activities - C	-	(5,203,528)
D	**Change in foreign exchange translation reserve- D**	451,084	4,483,372
	Net increase / (decrease) in cash and cash equivalents (A+B+C+D)	1,109,436	4,137,733
	Cash and cash equivalent as at the beginning of the year	4,552,679	414,947
	Cash and cash equivalent as at the end of the year	5,662,115	4,552,679

Notes:

1 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
26 June 2020

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Vivek Sharma
Director
26 June 2020

Ashish Pithawala
Director
26 June 2020

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Statement of changes in Equity

(Currency: Indian rupees)

(A) Equity share capital

Balance at the beginning of the reporting period (1 April 2018)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2019)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2020)
62,473,338	-	62,473,338	-	**62,473,338**

(B) Other equity

	Reserves and surplus	Other comprehensive income	Total
	Retained earnings	Foreign exchange translation reserve	
Balance at 31 March 2018	**124,673,652**	**1,308,578**	**125,982,230**
Loss for the year	(139,177,992)	-	(139,177,992)
Other comprehensive income	-	13,386,955	13,386,955
Total Comprehensive Income for the year	(139,177,992)	13,386,955	(125,791,037)
Balance at 31 March 2019	**(14,504,340)**	**14,695,533**	**191,193**
Loss for the year	(15,383,426)	-	(15,383,426)
Other comprehensive income	-	4,651,868	4,651,868
Total Comprehensive Income for the year	(15,383,426)	4,651,868	(10,731,558)
Balance at 31 March 2020	**(29,887,766)**	**19,347,401**	**(10,540,365)**

Nature and purpose of reserve

(1) Retained earnings

Retained earnings comprises of the Company's undistributed earnings after taxes

(2) Foreign exchange translation reserve

The functional currency of the Company is USD. These financial statements are prepared and presented in INR which is the functional currency of the Ultimate Parent Entity, for the purposes of consolidation. Foreign Exchange Translation reserve represents the exchange difference arising on translation difference arising on conversion of financial statements from functional currency to the presentation currency

As per our report of even date attached

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

For and on behalf of the Board of Directors

R.P.Soni
Partner
Membership No.: 104796
26 June 2020

Vivek Sharma
Director
26 June 2020

Ashish Pithawala
Director
26 June 2020

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

1. **Background**

   EAAA LLC (the "Company") was incorporated on May 25, 2009 as a private company limited by shares and holds a Global Business Licence Category 1 under the Financial Services Act 2007. The principal activity of the Company is to provide investment advisory services to Close End Funds. The Company holds an Investment Advisory (Unrestricted) Licence as issued by the Financial Services Commision under the Securities Act 2005. Its registered office is situated at 4th Floor, Tower A, 1 Cybercity, Ebène, Mauritius.

   The Company has retained the services of Citco (Mauritius) Limited to assist it in performing certain corporate and administration services.

2. **Basis of preparation of financial statements and Functional Currency**

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

   The Company being a foreign company prepared its financial statements in United States Dollar (USD) which is its Functional currency. However for consolidation purpose, the company presents these financial statements in Indian rupees (INR), which is the functional currency of the ultimate holding company.

   The assets and liabilities are translated into INR at the spot rate of exchange prevailing at the reporting date and their statement of profit and loss are translated at average exchange rate prevailing during the year. The exchange differences arising on translation are recognised in OCI and accumulated as a separate component of other equity.

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

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 27.

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

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

   The outbreak of COVID–19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian Government announced a 21 – days lockdown which was further extended till 31st May 2020 across the nation to contain the spread of the virus and still continues to be across many parts of the country in India. The pandemic and its consequent adverse effect on the economy also adversely impacted the financial markets. In preparing these financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments as at March 31, 2020 based on estimate of the future results and various internal and external information available up to the date of approval of these

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EAAA LLC

Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

4. Significant accounting policies

financial statements. The estimates as at the date of approval of these financial results may differ based on the ongoing impact of the pandemic and the timing of the improvement in the economy and the financial markets.

4.1 Recognition of Interest and Dividend income

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

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

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

4.2 Financial Instruments

4.2.1 Date of recognition

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

4.2.2 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.

4.2.3 Day 1 profit or loss

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

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.3 Classification of financial instruments

4.3.1 Financial assets:

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

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

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

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

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

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

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

4.3.1.1 Amortized cost and Effective interest method

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

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

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.3 Classification of financial instruments (continued)

4.3.1.2 Investment in equity instruments

Investments in subsidiary companies are carried at cost and are assessed on a regular basis for impairment. Subsidiaries are entities that are controlled by the Company.

All other investment in equity instruments are subsequently measured 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.

4.3.2 Financial liabilities

All financial liabilities are measured at amortised cost.

4.3.2.1 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.

4.3.2.2 Financial assets and Financial liabilities at fair value through profit or loss

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or

- The liabilities are part of a Company of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or

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

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

4. Significant accounting policies (continued)

4.3 Classification of financial instruments (continued)

4.3.3 Financial liabilities and equity instruments

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

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

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

4.4 Reclassification of financial assets and financial liabilities

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

4.5 Derecognition of financial assets and financial liabilities

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

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

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

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

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

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

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

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Notes to the financial statements for the year ended 31 March 2020

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4. Significant accounting policies (continued)

4.5 Derecognition of financial assets and financial liabilities (continued)

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

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.

4.5.3 Derecognition of financial liabilities

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

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

4.6 Impairment of financial assets

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

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

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk (SICR) since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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Notes to the financial statements for the year ended 31 March 2020

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4. Significant accounting policies (continued)

4.6 Impairment of financial assets (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default (EAD). The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

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

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

4.7 Write off

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

4.8 Determination of fair value

The Company measures financial instruments 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.

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4. Significant accounting policies (continued)

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

4.8 Determination of fair value (continued)

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.

4.9 Revenue from contract with customer

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

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Notes to the financial statements for the year ended 31 March 2020

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4. Significant accounting policies (continued)

Revenue from fund management services is recognised over the tenure in accordance with the terms and conditions of the investment management agreement between the Company and the Fund for which the Company acts as a fund manager.

4.10 Operating leases

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

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.

4.11 Earnings per share

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

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

4.12 Foreign currency transactions

Transactions in foreign currencies other than functional currency 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.

4.13 Retirement and other employee benefit

The accounting policy followed by the company in respect of its employee benefit schemes in accordance with Singapore FRS, which is also in accordance with Ind AS is set out below:

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

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4. Significant accounting policies (continued)

valuation by an independent actuary. The cost of providing annual leave benefits is determined using the projected unit credit method.

The Company provides for the encashment of leave subject to rules. The liability is provided based on the number of days of unutilised leave at each balance sheet date based on a valuation by an independent actuary.

4.14 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.

4.15 Property, plant and equipment

Tangible fixed assets

Tangible 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 to use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

The Company has evaluated the useful lives of the respective fixed assets for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Class of asset	Life of asset
Office equipments	5 years
Computer	3 years

4.16 Intangible assets

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

Intangibles such as software is amortised over a period of 3 years or its estimated useful life whichever is shorter.

4.17 Cash and cash equivalents

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

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4. Significant accounting policies (continued)

4.18 Provisions and other contingent liabilities

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

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability.

Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised

4.19 Income tax expenses

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

4.19.1 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.

4.19.2 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:

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4. Significant accounting policies (continued)

4.19 Income tax (continued)

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

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

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

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

4.19.3 Current and deferred tax for the year

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

5. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 4, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

5.1 Critical judgements in applying accounting policies

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

5.1.1 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 is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the

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assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to

5.1 Critical judgements in applying accounting policies

their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5.1.2 Significant increase in credit risk

ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. Ind AS 109 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

5.1.3 Consolidation of Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In the context of the Company, structured entities comprise Private Funds and alternative investment funds managed by it. The Company consolidates the structured entities that it controls. When making this judgement, the Company also considers voting and similar rights available to itself and other parties, who may limit the Company's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities, the exposure to variability of returns and whether the Company has the ability to use its power to affect the amount of the Company's returns i.e. the variability of returns in relation to the total returns of the investee entity. For disclosures of unconsolidated structured entities, refer Note 36.

5.2 Key sources of estimation uncertainty

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

5.2.1 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

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using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates

5 Critical judgements in applying accounting policies

include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

5.2.2 Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

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

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

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

5.2.3 Effective interest rate method

The Company's EIR methodology, as explained in Note 4.3.1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle

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

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Notes to the financial statements for the year ended 31 March 2020

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5.2.4 Accounting for deferred taxes

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

6. Standards issued but not yet effective

There are no new standard or amendment issued but not effective

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Notes to the financial statements for the year ended 31 March 2020

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7. Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- in current accounts	5,662,115	4,552,679
	5,662,115	4,552,679

8. Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured considered good		
Trade Receivables	3,314,497	-
	3,314,497	-

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally due immediate.

Trade receivables days past due		0-90days	91-180 days	more than 180 days	Total
ECL rate		0%			
31 March 20	Estimated total gross carrying amount at default	3,314,497	-	-	3,314,497
	ECL - Simplified approach	-	-	-	-
	Net carrying amount	3,314,497	-	-	3,314,497

9. Loans

Particulars	As at 31 March 2020	As at 31 March 2019
A. Loan to related parties (at amortised cost)		
EC International Limited (Outside India)	42,600,832	45,197,319
Total (A) Gross	42,600,832	45,197,319
B. Loan to others (at amortised cost)		
Loan to others (Outside India)	390,424	
Less: Impairment loss allowance on A and B	60,626	-
Total (A+B) Net	42,930,630	45,197,319

Loan given to EC International Limited is unsecured and repayable on demand. Loans bears an interest at quarterly average one month LIBOR rate prevailing during the year ended 31 March 2020 ranging between 1.41% to 2.44% p.a. (2019 :1.97% to 2.50%), compounded monthly. Loan to others is at a fixed interest rate of 6.1% p.a. compounded monthly (2019: N.A)

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

10. Investments

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Investment in Subsidiaries (at cost)		
a) Equity shares	-	128,112,856
(ii) Others		
a) Equity shares (refer note below)	318,731	291,488
TOTAL - Gross (A)	318,731	128,404,344
(i) Investments outside India	318,731	128,404,344
(ii) Investment in India	-	-
Total (B)	318,731	128,404,344
Less: Allowance for impairment (C)	754	120,543,998
Total Net (A-C)	317,977	7,860,346

Note: It represents investment in management shares and carry shares. These are not entitled to dividend nor net assets of the investee entities except for the nominal amount invested. Hence the carrying amount are valued at the nominal value.

11. Other financial asset

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured considered good)		
Deposits	63,701	-
Advances recoverable in cash or in kind or for value to be received	2,599,423	5,288,971
	2,663,124	5,288,971

12. Other non-financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
Prepaid expenses	581,415	298,388
	581,415	298,388

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13. Property, Plant and Equipment

Description of assets	Gross block					Accumulated Depreciation					Net block	
	As at 01 April 2019	Additions during the year	Deductions during the year	Other adjustments	As at 31 March 2020	As at 01 April 2019	For the year	Deductions during the year	Other adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Tangible assets												
Computer		918,238		58,396	976,634		296,874		18,877	315,751	660,883	-
Office equipment		22,894		1,422	24,316		291		19	310	24,006	-
Total	-	941,132	-	59,818	1,000,950	-	297,166	-	18,895	316,061	684,889	-

13. Other Intangible Assets

Description of assets	Gross block					Accumulated Depreciation					Net block	
	As at 01 April 2019	Additions during the year	Deductions during the year	Other adjustments	As at 31 March 2020	As at 01 April 2019	For the year	Deductions during the year	Other adjustments	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
Intangible assets												
Computer software		36,715	-	2,371	39,086		6,342	-	404	6,746	32,340	-
Total	-	36,715	-	2,371	39,086	-	6,342	-	404	6,746	32,340	-
Previous year												

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Notes to the financial statements for the year ended 31 March 2020

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14. Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Compensated absences	69,280	-
	69,280	-

15. Other non-financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Withholding taxes, Goods & service tax and other taxes payable	158,872	-
	158,872	-

16. Equity share capital

16.1 Issued capital

Particulars	As at 31 March 2020	As at 31 March 2019
Issued, Subscribed and Paid up:		
1,101,001 (Previous year: 1,101,001) Ordinary shares of USD 1 each	62,467,000	62,467,000
100 (Previous year: 100) Class B shares of USD 1 each	6,338	6,338
	62,473,338	62,473,338

(The entire Ordinary Shares and 95Class B Shares are held by EC International Limited, the holding company, which in turn is a wholly owned subsidiary of Edelweiss Financial Services Limited and 5 Class B Shares are held by a minority shareholder)

Movement in share capital:

(A) Ordinary shares

Particulars	31 March 2020		31 March 2019	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	1,101,001	62,467,000	1,101,001	62,467,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	1,101,001	62,467,000	1,101,001	62,467,000

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Notes to the financial statements for the year ended 31 March 2020

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16. Equity share capital (continued)

Movement in share capital (continued)

(B) Class B shares

Particulars	31 March 2020		31 March 2019	
	No of shares	Amount	No of shares	Amount
Outstanding at the beginning of the year	100	6,338	100	6,338
Issued during the year	-	-	-	-
Outstanding at the end of the year	100	6,338	100	6,338

Terms / rights attached to equity shares:

The different classes of shares carry rights as under:

(i) Class A Ordinary shares carry voting rights but do not carry distribution rights; and

(ii) Class B Ordinary shares are non voting but carry distribution rights.

Pursuant to Clause 20 of the Constitution of the Company, upon winding up, the assets, if any, remaining after payment of the debts and liabilities and the cost of winding up, shall be distributed among the shareholders in proportion to their shareholding.

17. Interest income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On Financial Assets measured at Amortised Cost		
Interest on loans to holding company	828,718	1,162,602
Interest on loans to others	12,687	-
	841,405	1,162,602

18. Fee income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Advisory and other fees		
Advisory fee income	4,381,120	-
	4,381,120	-

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

Particulars	For the year ended 31 March 2020	For the year end 31 March 2019
Service transferred at a point in time		
Service transferred over time	4,381,120	-
Total revenue from contract with customers	4,381,120	-

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

19. Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Foreign exchange gain loss	841	-
	841	-

20. Finance cost

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
On Financial liabilities, measured at amortised cost		
Finance and bank charges	330,331	329,576
	330,331	329,576

21. Impairment on financial instruments

The below table show impairment loss on financial instruments charge to statement of profit and loss based on category of financial instrument.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Investments in equity instruments		
Subsidiaries	432,262	121,793,825
Others	-	699
ECL provision on loans	57,002	-
Loans and advances written off	5,419,551	-
	5,908,815	121,794,524

22. Employee benefit expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	3,09 5,310	-
Contribution to provident and other funds	50,881	-
	3,146,191	-

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(Currency: Indian rupees)

23. Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Other expenses		
Auditors' remuneration *(refer note below)*	**525,568**	606,531
Directors' sitting fees	**457,170**	450,783
Legal and professional fees	**2,808,406**	14,595,153
Foreign exchange loss (net)	**-**	2,621
Rates and taxes	**-**	53,255
Travelling and conveyance	**346,429**	122,355
ROC expenses	**827,247**	476,362
Rent expenses	**595,739**	-
Telephone Charges	**623,439**	-
Office expenses	**377,970**	-
Market Data Services	**678,384**	-
Selling and distribution expenses	**3,539,381**	-
Membership and subscription	**138,214**	-
	10,917,947	16,307,060

Note:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Auditors' remuneration:		
As auditor	**518,480**	606,531
For our of pocket expenses	**7,088**	-
	525,568	606,531

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

24. Income tax disclosure

The components of income tax expense for the year ended are:

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	1,909,434
Deferred tax relating to origination and reversal of temporary differences	-	-
Total tax charge	-	1,909,434
Current tax	-	1,909,434
Deferred tax	-	-

24.1 Reconciliation of the total tax charge

The Company is liable to pay income tax on its net income at a rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax to 3%.

A reconciliation between current tax expense and amounts computed by applying the effective rates to income before tax of the Company is as follows:

Particulars	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
Accounting profit before tax as per financial statements	**(15,383,426)**	(137,268,558)
Tax rate (in percentage)	**15%**	15%
Income tax expense calculated based on this tax rate	**(23,075,14)**	(20,590,284)
Adjustment in respect of current income tax of prior years	-	1,909,434
Effect of non–deductible expenses	**288,155**	18,269,179
Effect of non-recognition of deferred tax asset on current-period losses	**1,421,189**	2,321,105
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised OR deferred tax assets on losses earlier recognised now considered not recoverable	-	-
Others (Timing difference)	**598,170**	-
Tax expense reported in statement of profit and loss	-	1,909,434

Break-up of recognition of current tax	**For the year ended 31 March 2020**	**For the year ended 31 March 2019**
In Profit and loss	-	1,909,434
In Other comprehensive income	-	-
Total	-	1,909,434

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

24. Income taxdisclosure (continued)

24.2 Reconciliation of the total tax charge (continued)

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

Financial Year to which the loss relates to	Amount	Expiry year - financial year
31 March 2020		
FY 2018-19	13,682,428	FY 2023-24
FY 2019-20	10,077,059	FY 2024-25
Total	**23,759,487**	
31 March 2019		
FY 2018-19	12,554,522	FY 2023-24
Total	**12,554,522**	

25. Earnings per share

	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a)	Shareholders earnings(as per statement of profit and loss)	**(15,383,426)**	(139,177,992)
	Net Profit available to equity shareholders for the purpose of calculating basic	**(15,383,426)**	(139,177,992)
b)	Calculation of weighted average number of equity shares of 1 each:		
	– Number of shares at the beginning of the year	**1,101,001**	1,101,001
	– Number of shares issued during the year	-	-
	Total number of equity shares outstanding at the end of the year	**1,101,001**	1,101,001
	Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	**1,101,001**	1,101,001
c)	Number of dilutive potential equity shares	-	-
d)	Basic earnings per share {a/b}	**(13.97)**	(126.41)
e)	Diluted earnings per share {a/(b+c)}	**(13.97)**	(126.41)

26. Segment information

The Company has operated only in one business segment during the year viz advisory and consultancy services. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements.

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Notes to the financial statements for the year ended 31 March 2020

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27. 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.

	31 March 2020			31 March 2019		
Assets	**Within 12 months**	**After 12 months**	**Total**	**Within 12 months**	**After 12 months**	**Total**
Financial Asset						
Cash and cash equivalents	5,662,115	-	5,662,115	4,552,679	-	4,552,679
Trade receivables	3,314,497	-	-	-	-	-
Loans	42,930,630	-	42,930,630	45,197,319	-	45,197,319
Investments	-	317,977	317,977	-	7,860,346	7,860,346
Other financial asset	2,663,124	-	2,663,124	5,288,971	-	5,288,971
Non FinancialAsset						
Property, plant and equipment		684,889	684,889			
Other intangible assets		32,340	32,340			
Other non-financial assets	581,415	-	581,415	298,388	-	298,388
Total assets (A)	**55,151,781**	**1,035,206**	**56,186,987**	**55,337,357**	**7,860,346**	**63,197,703**
Liabilities						
Financial Liability						
Trade payables	4,025,862	-	4,025,862	533,172	-	533,172
NonFinancial Liabilities	-	-	-	-	-	-
Provisions	-	69,280	69,280	-	-	-
Other non-financial liabilities	158,872		158,872	-	-	-
Total liabilities (B)	4,184,734	69,280	4,254,014	-	-	-
Net assets (A-B)	**5,0967,047**	**965,926**	**51,932,973**	**54,804,185**	**7,860,345**	**62,664,530**

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

28. Related party disclosures

(A) Names of related parties by whom control is exercised

Edelweiss Financial Services Limited	Ultimate Holding company
EC International Limited	Holding company

(B) Subsidiaries which are controlled by the Company and with whom transactions have taken place during the year

EW India Special Assets Advisors LLC
EW Special Opportunities Advisors LLC

(C) Fellow subsidiaries with whom transactions have taken place during the year

Edelweiss Alternative Asset Advisors Pte limited

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28 Related party disclosures

Transactions and balances with related parties for the year ended 31 March 2020

Sr. No.	Nature of transaction	Related party name	For the year ended 31, March 20	For the year ended 31, March 19
(I)	**Captial account transactions**			
	Amount received on liquidation of	EW India Special Assets Advisors LLC	3,536,896	-
	Sale of EW Special Opportunities Advisors LLC	EC International Limited	3,786,573	-
(II)	**Current account transactions**			
	Short term loan repaid by (refer note below)	EC International Limited	6,829,432	25,530,571
	Interest income on loans given to	EC International Limited	828,718	1,162,602
	Cost reimbursement paid to	Edelweiss Alternative Asset Adviosrs Pte limited	59,527	-
(III)	**Balances with related parties**			
	Investments in Class A shares of	EW Special Opportunities Advisors LLC	-	3,262,802
		EW India Special Assets Advisors LLC (net of provision for impairment)	-	3,607,827
	Investments in Class B shares of	EW Special Opportunities Advisors LLC	-	6,917
		EW India Special Assets Advisors LLC	-	691,713
	Loans given to	EC International Limited	40,583,505	43,902,862
	Interst receivable	EC International Limited	2,017,327	1,294,457

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

29. Change in liabilities arising from financing activities

Particulars	1 April 2019	Cash flows	Changes in fair values	Exchange difference	Other (*)	31 March 2020
Borrowings other than debt securities	-	-	-	-	-	-
Total liabilities from financing activities	-	-	-	-	-	-

Particulars	1 April 2018	Cash flows	Changes in fair values	Exchange difference	Other (*)	31 March 2019
Borrowings other than debt securities	5,203,528	(5,203,528)	-	-	-	-
Total liabilities from financing activities	**5,203,528**	**(5,203,528)**	-	-	-	-

(*) Includes effect of interest expense for the year on borrowings

30. Contingent liabilities

There are no legal claim outstanding against the Company as at 31 March 2020 (2019: Nil). Also, the Company has Rs. Nil (2019: Rs Nil) contingent liabilities as at the balance sheet date.

31. Capital management

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide an adequate return for shareholders.

The Company defines "capital" as including all components of equity. The amount of capital employed at March 31, 2020 was INR 51,932,973 (2019: INR 62,664,531).

The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the Company. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Company, to the extent that these do not conflict with the directors' fiduciary duties towards the Company or the requirements of local regulation.

The Company as a holder of an Investment Adviser (Unrestricted) Licence issued by the Financial Services Commission, is required under the Securities Act 2005 to maintain a minimum paid up and unimpaired capital of at least Mauritian Rupees 600,000 or an equivalent amount in foreign currency. As at March 31, 2020, the Company has a shareholders' fund of INR 51,932,973 (2019: INR 62,664,531).

The directors are committed to ensure that the minimum capital requirements of the Company are met at all times and take appropriate measures anytime there is a breach

32. Fair value measurement:

32.1 Financial instruments not measured at fair value

No disclosure has been provided since the carrying amount of the financial assets and liabilities not measured at fair value approximates their fair value due to the short term nature of these balances.

32.2 Transfer between Level 1 , Level 2 and Level 3

There were no transfer between different levels during the year.

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

33. Risk Management

33.1 Introduction and risk profile

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

Risk management structure

The Board of Directors are responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has appointed the Risk Committee which is responsible for monitoring the overall risk process within the Company and reports to the Audit Committee.

The Risk Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits.

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

33.2.1 Analysis of risk concentration

The following table shows the risk concentration by industry for the components of the balance sheet:

	Financial services	
Particulars	**31 March 2020**	**31 March 2019**
Financial assets		
Cash and cash equivalent	5,662,115	4,552,679
Trade receivables	3,314,497	-
Investments	317,977	7,860,346
Other financial assets	2,599,423	5,288,971
Loans	42,930,630	45,197,319
Total	**54,824,642**	**62,899,315**

	Other services	
Particulars	**31 March 2020**	**31 March 2019**
Financial assets		
Other financial assets	63,701	-
Total	**63,701**	-

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Notes to the financial statements for the year ended 31 March 2020

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33.Risk Management (continued)

33.2.2 Collateral and other credit enhancements

The below tables show the maximum exposure to credit risk by class of financial asset. The carrying amount of financial assets represents the Company's maximum exposure to credit risk, before taking into account any collateral held.

	Maximum exposure to credit risk	
Particulars	**31 March 2020**	**31 March 2019**
Financial assets		
Cash and cash equivalent	5,622,115	4,552,679
Loans	42,930,630	45,197,319
Trade receivables	3,314,497	-
Other financial assets	2,663,124	5,288,971
Total	**54,570,366**	**55,038,969**

The Company does not hold any collateral in respect of above financial assets.

The Company's cash and cash equivalent are held with regulated and reputed financial institution.Loansare advanced to holding company and Edelweiss Fixed income fund.

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

33.Risk Management (continued)

33.3 Liquidity risk and funding management

Liquidity or funding risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

33.3.1 Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial assets and liabilities as at 31 March. Repayments which are subject to notice are treated as if notice were to be given immediately.

As at 31 March 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	4,025,862	-	-	-	-	-	4,025,862
Total undiscounted non-derivative financial liabilities	-	-	-	-	4,025,862	-	-	-	-	-	**4,025,862**

As at 31 March 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	533,172	-	-	-	-	-	533,172
Total undiscounted non-derivative financial liabilities	-	-	-	-	533,172	-	-	-	-	-	**533,172**

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Notes to the financial statements for the year ended 31 March 2020

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33. Risk Management (continued)

33.3 Liquidity risk and funding management (continued)

33.3.2 Analysis of non-derivative financial assets by remaining contractual maturities

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

As at 31 March 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent	5,662,115	-	-	-	-	-	-	-	-	-	5,662,115
Loans	42,930,630	-	-	-	-	-	-	-	-	-	42,930,630
Trade receivables	-	-	-	3,314,497	-	-	-	-	-	-	3,314,497
Other financial assets	-	-	-	-	2,663,124	-	-	-	-	-	2,663,124
Total	**48,592,745**	-	-	**3,314,497**	**2,663,124**	-	-	-	-	-	**54,570,366**

As at 31 March 2019	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent	4,552,679	-	-	-	-	-	-	-	-	-	4,552,679
Loans	45,197,319	-	-	-	-	-	-	-	-	-	45,197,319
Other financial assets	-	-	-	-	5,288,971	-	-	-	-	-	5,288,971
Total	**49,749,998**	-	-	-	**5,288,971**	-	-	-	-	-	**55,038,969**

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

33. Risk Management (continued)

33.4 Financial assets available to support future funding

Following table sets out availability of financial assets to support funding

31 March 2020	Pledged as collateral	others (1)	Available as collateral	others (2)	Total carrying amount
Cash and cash equivalent	-	-	-	5,662,115	5,662,115
Trade receivables			3,314,497		3,314,497
loans	-	-	-	42,930,630	42,930,630
Investments	-	-	317,977	-	317,977
Other financial assets	-	-	2,663,124	-	2,663,124
Total assets	-	-	6,295,598	48,592,745	54,888,343

31 March 2019	Pledged as collateral	others (1)	Available as collateral	others (2)	Total carrying amount
Cash and cash equivalent	-	-	-	4,552,679	4,552,679
loans	-	-	-	45,197,319	45,197,319
Investments	-	-	7,860,346	-	7,860,346
Other financial assets	-	-	5,288,971	-	5,288,971
Total assets	-	-	13,149,317	49,749,998	62,899,315

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

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

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(Currency: Indian rupees)

33. Risk management (continued)

33.5 Market Risk:

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes inmarket variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately using sensitivity analyses.

Total market risk exposure

	31 March 2020			31 March 2019		
Particulars	**Carrying amount**	**Traded risk**	**Non-traded risk**	**Carrying amount**	**Traded risk**	**Non-traded risk**
Assets						
Cash and cash equivalents	5,662,115	-	5,662,115	4,552,679	-	4,552,679
Loans	42,930,630	-	42,930,630	45,197,319	-	45,197,319
Trade receivables	3,314,497	-	3,314,497	-	-	-
Other financial assets	2,663,124	-	2,663,124	5,288,971	-	5,288,971
Investment	317,977	-	317,977	291,210	-	291,210
Total	**54,888,343**	-	**54,888,343**	55,330,179	-	55,330,179
Liability						
Trade payables	**4,025,862**	-	4,025,862	533,172	-	533,172
Total	**4,025,862**	-	**4,025,862**	533,172	-	533,172

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Notes to the financial statements for the year ended 31 March 2020

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33. Risk management (continued)

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Currency of borrowing / advances	31 March 2020					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
US dollar	25	101,459	-	25	(101,459)	-

Currency of borrowing / advances	31 March 2019					
	Increase in basis points	Effect on profit before tax	Increase in basis points	Decrease in basis points	Increase in basis points	Effect on Equity
US dollar	25	112,993	-	25	(112,993)	-

Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise majorly on account of foreign currency borrowings.

All the financial assets and liabilities are in Company's functional currency and thus the Company is not exposed to any Currency risk

Equity Price risk:

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.

The Company does not have any Equity Price risk as at 31 March 2020

Index price risk:

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

The Company does not have any Index Price risk as at 31 March 2020.

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EAAA LLC

Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

34. Operating lease

The Company has taken premises on operating lease. Gross rental expenses for the year ended 31 March 2020 aggregated to Rs. 595,739 (Previous year Nil) which has been included under the head other expenses – Rent in the statement of profit and loss in note 15.

Operating lease commitments

Particulars	Amount
Within one year	832,260
Total	832,260

Particulars	Amount
Incremental borrowing rate of company (in %)	-
The leases have an average life of between (in years)	-
The total lease payament for the year (in amt)	-
Lease rent expenses recognised in P&L for short term leases (in amt)	-
The total lease payament for the year (in amt)	595,739
Lease rent expenses recognised in P&L for short term lease (in amt)	595,739

35. Unconsolidated structured entities

These are entities that do not meet consolidation criteria explained Summary of significant accounting policies.

An entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

35.1The following tables show the carrying amount of the Company's recorded interest in its consolidated balance sheet as well as the maximum exposure to risk (as defined in below) due to these exposures in the unconsolidated structured entities and asset management activities:

Particulars	31 March 2020	31 March 2019
	Alternative Investment Funds	
Trading assets at fair value		
Trade Receivables	3,314,497	-
Total Assets	3,314,497	-
Size of the structured entity	1,987,065,846	
Income from the structured entity	4,381,120	-

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Notes to the financial statements for the year ended 31 March 2020

(Currency: Indian rupees)

35.Unconsolidated structured entities (continued)

35.2 The following tables show the details of the unconsolidated structured entities, which are not disclosed in the above table

Particulars	**Year ended 31 March 2020**	Year ended 31 March 2019
Income from those structure entities	**4,381,120**	-
Type of income	Investment Management Fees	-
Carrying amount of assets transferred to those structured entities during the period	-	-

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
26 June 2020

For and on behalf of the Board of Directors

Vivek Sharma
Director

26 June 2020

Ashish Pithawala
Director

26 June 2020

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

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