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CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

To the Members of **Edelweiss Alternative Asset Advisors Pte. Limited**

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **Edelweiss Alternative Asset Advisors Pte. Limited** ("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 profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the 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

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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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.

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

R.P. Soni
Partner
Membership No.: 104796

NGS & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

UDIN: 20104796AAABAV6139

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 **Edelweiss Alternative Asset Advisors Pte. Limited** ("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.

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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: 20104796AAABAV6139

Place : Mumbai
Date : June 26, 2020

Edelweiss Alternative Asset Advisors Pte. Limited

Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Financial assets			
Cash and cash equivalents	7	23,392,729	331,327,224
Bank balances other than cash and cash equivalents	8	14,215,433	12,747,121
Trade receivables	9	78,642,547	24,251,751
Loans	10	196,998,678	103,872,715
Other financial assets	11	13,928,590	36,258,709
		327,177,977	508,457,520
Non-financial assets			
Property, Plant and equipment	12	445,628	597,696
Other intangible assets	13	4,605	13,927
Other non- financial assets	14	433,927,613	403,266,809
		434,377,846	403,878,432
TOTAL ASSETS		761,555,823	912,335,952
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables		40,671,556	159,294,115
Other financial liabilities	15	249,282,477	348,648,716
		289,954,033	507,942,831
Non-financial liabilities			
Provisions	16	758,260	862,597
Other non-financial liabilities	17	18,752,346	16,166,265
		19,510,606	17,028,862
EQUITY			
Equity share capital	18	446,644,618	446,644,618
Other equity		5,446,566	(59,280,359)
		452,091,184	387,364,259
TOTAL LIABILITIES AND EQUITY		761,555,823	912,335,952
Significant accounting policies and notes forming part of the financial statements	1 to 37		

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

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

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

For and on behalf of the Board of Directors

Ashish Pithawala
Director

Vivek Sharma
Director

26 June 2020

Edelweiss Alternative Asset Advisors Pte. Limited

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	**19**	**8,151,199**	291,015
Fee and commission income	**20**	**475,299,350**	819,456,955
Other income	**21**	**36,510,892**	205,151
Total income		**519,961,441**	819,953,121
Expenses			
Finance costs	**22**	**257,856**	1,560,675
Impairment on financial instruments	**23**	**(245,716)**	7,914,988
Employee benefits expense	**24**	**82,786,126**	102,150,706
Depreciation, amortisation and impairment	**12**	**328,460**	271,372
Other expenses	**25**	**388,412,383**	437,761,076
Total expenses		**471,539,109**	549,658,817
Profit before tax		**48,422,332**	270,294,304
Tax expenses		-	-
Profit for the year		**48,422,332**	270,294,304
Other Comprehensive Income -Items that will be reclassified to profit or loss			
(a) Items that will not be reclassified to profit or loss			
Foreign Exchange Translation Reserve		**16,304,593**	558,690
Total		**16,304,593**	558,690
Other Comprehensive Income		**16,304,593**	558,690
Total Comprehensive Income		**64,726,925**	270,852,994
Earnings per ordinary share (Face value of Singapore Dollar 1 each):			
Basic and diluted	27	**5.25**	29.28
Significant accounting policies and notes forming part of the financial statements	1 to 37		

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

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

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

For and on behalf of the Board of Directors

Ashish Pithawala
Director

Vivek Sharma
Director

26 June 2020

Edelweiss Alternative Asset Advisors Pte. Limited

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 (Refer Note 19)	Balance at the beginning of the reporting period (1 April 2019)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2020)
446,644,618	-	446,644,618	-	**446,644,618**

B Other Equity

Particulars	Reserves and Surplus		Other Comprehensive Income	Total
	Share Option Reserve	Retained earnings	Foreign Exchange Translation Reserve	
Balance at 31 March 2018 (Ind AS)	1,604,227	(330,772,293)	(2,906,060)	**(332,074,126)**
Profit for the year	-	270,294,304	-	**270,294,304**
Other comprehensive income	-	-	558,690	**558,690**
Total Comprehensive Income for the year	**-**	**270,294,304**	**558,690**	**270,852,994**
ESOP charge	1,940,773	-	-	**1,940,773**
Balance at 31 March 2019 (Ind AS)	**3,545,000**	**(60,477,989)**	**(2,347,370)**	**(59,280,359)**
Profit for the year	-	48,422,332	-	**48,422,332**
Other comprehensive income	-	-	16,304,593	**16,304,593**
Total Comprehensive Income for the year	**-**	**48,422,332**	**16,304,593**	**64,726,925**
Balance at 31 March 2020 (Ind AS)	**3,545,000**	**(12,055,657)**	**13,957,223**	**5,446,566**

Nature and Purpose of Reserves

(a) Foreign exchange translation reserve

The functional currency of the Company is Singapore Dollars. 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

(b) Share Option Reserve

The share option reserve comprises the cumulative value of employee service received for the issue of options under the share plans of the ultimate holding company.

This is the Statement of changes in equity referred to in our report of even date

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

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

NGS & CO LLP MUMBAI CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Ashish Pithawala
Director

Vivek Sharma
Director

26 June 2020

Edelweiss Alternative Asset Advisors Pte. Limited

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**		
	Profit before tax	**48,422,332**	270,294,304
	Adjustments for		
	Depreciation, amortisation and impairment	**328,460**	271,372
	Provision for compensated absences	**(134,403)**	46,318
	Bad- debts and advances written off	**(245,716)**	7,914,988
	Interest income on loans given	**(7,868,443)**	(63,089)
	Interest on fixed deposits	**(282,756)**	(227,926)
	Interest expense on loans taken	-	1,346,460
	Expense on Employee Stock Option Scheme	-	1,940,773
	Operating cash flow before working capital changes	**40,219,474**	281,523,200
	Add / (Less): Adjustments for working capital changes		
	Decrease / (Increase) in trade receivables	**(52,105,601)**	63,534,382
	Decrease / (Increase) in other financial asset	**23,143,215**	(27,542,293)
	Increase in other non financial asset	**(14,363,513)**	(217,016,021)
	Decrease in trade payables	**(121,679,315)**	(40,798,570)
	Decrease in other non financial liabilities	**(110,082,171)**	(34,715,077)
	Increase in other financial liabilities	**1,908,518**	190,788,919
	Cash generated from/(used in) operations	**(232,959,393)**	215,774,540
	Income taxes paid	-	-
	Net cash generated from/(used in) operating activities -A	**(232,959,393)**	215,774,540
B	**Cash flow from investing activities**		
	Purchase of Property, Plant and equipment	**(147,946)**	(496,116)
	Interest income on fixed deposit	**373,278**	167,832
	Loans given	**(78,982,265)**	(103,810,145)
	Investment in fixed deposits	**(1,038,881)**	(857,476)
	Net cash used in investing activities - B	**(79,795,814)**	(104,995,905)
C	**Cash flow from financing activities**		
	Borrowings repaid (net) (Refer note 1)	-	(58,386,720)
	Interest paid on amounts borrowed	-	(1,402,241)
	Net cash used in financing activities - C	-	(59,788,961)
	Movement in Foreign Exchange Translation Reserve (D)	**4,820,712**	570,875
	Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**(307,934,495)**	51,560,548
	Cash and cash equivalent as at the beginning of the year	**331,327,224**	279,766,676
	Cash and cash equivalent as at the end of the year (refer note 7)	**23,392,729**	331,327,224

Notes:

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

This is the cash flow statement referred to in our report of even date

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

NGS & CO MUMBAI

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

For and on behalf of the Board of Directors

Ashish Pithawala
Director

Vivek Sharma
Director

26 June 2020

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements

(Currency: Indian Rupees)

1. Background

Edelweiss Alternative Asset Advisors Pte. Limited (the "Company") is a company incorporated in the Republic of Singapore. The Company's registered office address is 133 Cecil Street, Keck Seng Tower, #13-03, Singapore 069535.

The Company has been granted Capital Market Service license by the Monetary Authority of Singapore under the Securities and Futures Act to conduct fund management activities and is also an Exempt Financial Advisor. The Company has also been registered by the Securities and Exchange Board of India ("SEBI") as a Foreign Institution Investor under the category of Investment Manager/Advisor under SEBI (Foreign Institution Investors) Regulations, 1995 as amended.

The immediate holding company is Edelweiss Capital (Singapore) Pte. Ltd.,which is incorporated in Singapore. The ultimate holding company is Edelweiss Financial Services Limited, which is incorporated in India

2. Basis of preparation of financial statements and Functional Currency

These financial statements are Special Purpose Financial Statements drawn under Indian Accounting Standards (Ind-AS) for the purpose of Consolidation with Edelweiss Financial Services Limited (Ultimate Holding Company) for its reporting of Consolidated audited financial results under Ind-AS Division III of Schedule III of the Companies Act, 2013 ("the Act").

The 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 Singapore Dollar (SGD) which is its Functional currency. However for consolidation purpose, the company presents these financial statements in Indian Rupee (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.

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

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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 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.

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 30.

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

4. Significant accounting policies

4.1 Recognition of Interest

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).

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Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements

(Currency: Indian Rupees)

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 Statement of profit and 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

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements

(Currency: Indian Rupees)

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 (SPPI) 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.

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements

(Currency: Indian Rupees)

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.

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, 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.

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements

(Currency: Indian Rupees)

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.

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 the Company are recognised at the proceeds received.

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

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

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.

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 liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid, 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, together with loan commitment, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

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

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk 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 on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, 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 expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

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

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements

(Currency: Indian Rupees)

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.

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

- Level 1 financial instruments –Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments–Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.

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- 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.

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

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognized based on contractual terms. Contingent rental payable is recognized as an expense in the period in which it is incurred

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements

(Currency: Indian Rupees)

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 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.

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements

(Currency: Indian Rupees)

4.14 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services that are granted by the Ultimate Parent Company are measured by reference to the fair value of the equity instruments at the grant date.

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

4.15 Property, plant and equipment

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

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives as follows:

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Furniture and fixtures	3 years
Office Equipment	3 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

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

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

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2017 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4.16 Intangible assets

The Company's intangible assets mainly include the value of computer software. An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

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

The Software is amortised over a period of 3 years.

4.17 Impairment of non-financial assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit which the asset belongs to is less than its carrying

NGS & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI 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.

4.18 Cash and cash equivalents

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

4.19 Provisions and other contingent liabilities

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

4.20 Income tax expenses

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

4.20.1 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.

4.20.2 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:

- 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.

4.20.3 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.

4.21 Contract Asset

The Company recognises incremental costs of obtaining a contract with a customer as an asset, if it expects to recover these costs.

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements

(Currency: Indian Rupees)

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

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 37.

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

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 4.1, 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.

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.

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

6. Standards issued but not yet effective

There are no new standard or amendment issued but not effective

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(Currency : Indian rupees)

		As at 31 March 2020	As at 31 March 2019
7	**Cash and cash equivalents**		
	Balances with banks		
	- in current accounts	**23,392,729**	331,327,224
		23,392,729	331,327,224
8	**Bank balances other than cash and cash equivalents**		
	Short term fixed deposits	**14,177,691**	12,621,410
	Accrued interest on fixed deposits	**37,742**	125,711
	(other bank deposits with maturity less than 12 months)		
		14,215,433	12,747,121
9	**Trade receivables**		
	Receivables considered good - Unsecured	**78,642,547**	24,251,751
	Less: allowance of expected credit losses	**-**	-
		78,642,547	24,251,751

No trade or other receivables 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 on terms of 30 to 90 days

Ageing of Trade receivables

Trade receivables days past due	**0-90 days**	**91-180 days**	**More than 180 days**	**Total**
As at 31 March 2020				
Estimated total gross carrying amount at default	78,642,547	-	-	78,642,547
Lease receivables				
ECL - Simplified approach	-	-	-	-
Net carrying amount	**78,642,547**	**-**	**-**	**78,642,547**
As at 31 March 2019				
Estimated total gross carrying amount at default	24,251,751	-	-	24,251,751
Lease receivables				
ECL - Simplified approach	-	-	-	-
Net carrying amount	**24,251,751**	**-**	**-**	**24,251,751**

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EDELWEISS ALTERNATIVE ASSET ADVISORS PTE. LIMITED

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

		As at 31 March 2020	As at 31 March 2019
10	**Loans**		
	(Unsecured, considered good)		
	At ammortised cost		
	Loans and advances to related parties	**196,998,678**	**103,872,715**
		196,998,678	**103,872,715**

Loan given to Edelweiss Capital (Singapore) Pte Limited, Holding Company, outside India is unsecured and repayable on demand. It bears an interest of 5.50 % p.a.compounded monthly. The loan being short term in nature approximates its fair value.

11	**Other financial assets**		
	(Unsecured, considered good)		
	Deposits	**23,331**	22,458
	Advances recoverable in cash or in kind or for value to be received	**13,905,259**	36,236,251
		13,928,590	36,258,709

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Edelweiss Alternative Asset Advisors Pte. Limited

(Currency : Indian rupees)

Notes to the financial statements (Continued)

12. 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	472,514	147,946	-	61,593	682,053	259,826	159,061	-	53,612	472,498	209,555	212,688
Office equipment	516,491	-	-	22,422	538,913	131,484	159,784	-	11,572	302,840	236,073	385,008
Total	**989,005**	**147,946**	**-**	**84,015**	**1,220,966**	**391,310**	**318,845**	**-**	**65,184**	**775,338**	**445,628**	**597,696**

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	124,927	-	-	18,235	143,162	111,000	9,615	-	17,942	138,557	4,605	13,927
Total	**124,927**	**-**	**-**	**18,235**	**143,162**	**111,000**	**9,615**	**-**	**17,942**	**138,557**	**4,605**	**13,927**

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EDELWEISS ALTERNATIVE ASSET ADVISORS PTE. LIMITED

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements *(Continued)*

(Currency : Indian rupees)

12. Property, Plant and equipment

	Gross block					Accumulated Depreciation and Impairment					Net block	
Description of assets	**As at 01 April 2018**	**Additions during the year**	**Deductions during the year**	**Other adjustments**	**As at 31 March 2019**	**As at 01 April 2018**	**For the year**	**Deductions during the year**	**Other adjustments**	**As at 31 March 2019**	**As at 31 March 2019**	**As at 31 March 2018**
Tangible assets												
Computer	364,609	99,841	-	8,064	472,514	106,169	152,335	-	1,322	259,826	212,688	258,440
Office equipment	131,272	396,276	11,094	38	516,492	57,476	84,299	11,094	803	131,484	385,008	73,796
Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	26,163	-	27,006	843	-	26,163	-	27,006	843	-	-	-
Total : (A)	**522,044**	**496,117**	**38,100**	**8,945**	**989,005**	**189,808**	**236,634**	**38,100**	**2,968**	**391,310**	**597,696**	**332,235**

13. Other intangible assets

	Gross block					Accumulated Depreciation and Impairment					Net block	
Description of assets	**As at 01 April 2018**	**Additions during the year**	**Deductions during the year**	**Other adjustments**	**As at 31 March 2019**	**As at 01 April 2018**	**For the year**	**Deductions during the year**	**Other adjustments**	**As at 31 March 2019**	**As at 31 March 2019**	**As at 31 March 2018**
Intangible assets												
Computer software	121,986	-	-	2,941	**124,927**	74,760	34,738	-	1,502	**111,000**	**13,927**	47,226
Total : (B)	**121,986**	-	-	**2,941**	**124,927**	**74,760**	**34,738**	-	**1,502**	**111,000**	**13,927**	47,226

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EDELWEISS ALTERNATIVE ASSET ADVISORS PTE. LIMITED

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)	As at 31 March 2020	As at 31 March 2019
14 Other non-financial assets		
(Unsecured Considered good, unless stated otherwise)		
Contract asset	**397,437,413**	397,912,286
Prepaid expenses	**36,125,532**	4,896,720
Vendor advances	**364,668**	457,803
	433,927,613	403,266,809

15 Other financial liabilities		
Other payables	**237,772,085**	329,048,895
Accrued salaries and benefits	**11,510,392**	19,599,821
	249,282,477	348,648,716

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

		As at 31 March 2020	As at 31 March 2019
16	**Provisions**		
	Provision for employee benefits		
	Compensated absences	**758,260**	862,597
		758,260	862,597
17	**Other non-financial liabilities**		
	Income received in advance	**9,733,396**	9,887,074
	Withholding taxes, Goods and service tax and other taxes payable	**9,018,950**	6,279,191
		18,752,346	16,166,265

EDELWEISS ALTERNATIVE ASSET ADVISORS PTE. LIMITED

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Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

18 Equity Share Capital

Issued Capital

		As at 31 March 2020	As at 31 March 2019
(a)	**Issued, subscribed and paid up:**		
	9,230,000 (Previous year: 9,230,000) Class A Ordinary shares of SGD 1 each, fully paid-up	446,639,970	446,639,970
	100 (Previous year 100) Class B ordianary shares of SGD 1 each, fully paid -up	4,648	4,648
		446,644,618	446,644,618

		31 March 2020		31 March 2019	
(b)	**Movement in share capital : Class A ordinary shares**	No. of shares	Amount	No. of shares	Amount
	Outstanding at the beginning of the year	9,230,000	446,639,970	9,230,000	446,639,970
	Shares issued during the year	-	-		
	Outstanding at the end of the year	9,230,000	446,639,970	9,230,000	446,639,970

		31 March 2020		31 March 2019	
(c)	**Movement in share capital : Class B ordinary shares**				
	Outstanding at the beginning of the year	100	4,648	100	4,648
	Shares issued during the year		-		-
	Outstanding at the end of the year	100	4,648	100	4,648

		31 March 2020		31 March 2019	
(d)	**% Shares held by holding Company**				
(i)	**Class A Ordinary shares**				
	Edelweiss Capital (Singapore) Pte. Limited , the holding company	9,230,000	100%	9,230,000	100%
(ii)	**Class B Ordinary shares**				
	Edelweiss Capital (Singapore) Pte. Limited , the holding company	95.00	95%	95.00	95%
	Gamla Livforsakringsaktiebolaget Seb Trygg Liv 9 (PUBL)	5.00	5%	5.00	5%
		100.00	100%	100.00	100%

(e) Terms/rights attached to ordinary shares

(i) Class A ordinary shares

All Class A ordinary shares are held by Edelweiss Capital (Singapore) Pte. Limited , the holding company, which in turn is a wholly owned subsidiary of Edelweiss Financial Services Limited.

Each holder of Class A ordinary shares is entitled to one vote per share held. Dividend declared by the Company, if any, will be paid in SGD.

In the event of liquidation of the Company, the holders of Class A ordinary shares Class A will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

(ii) Class B ordinary shares

Holders of Class B ordinary shares shall have no voting rights/ no rights to control the management of the Company but shall have rights to participate in the income and profits of the Company.

In the event of liquidation of the Company, the holders of ordinary shares Class B will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)	For the year ended 31 March 2020	For the year ended 31 March 2019
19 Interest income		
On financial assets measured at ammortised cost		
On loan to holding company	7,868,443	63,089
Interest income on fixed deposits	282,756	227,926
	8,151,199	291,015
20 Fee and commission income		
Advisory and other fees	475,299,350	819,456,955
	475,299,350	819,456,955

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

Particulars	For the period ended 31 March 2020	For the period ended 31 March 2019
Service at a point in time	-	-
Service transferred over time	475,299,350	819,456,955
	475,299,350	819,456,955

21 Other income		
Foreign exchange gain	25,860,929	25,872
Miscellaneous income	10,649,963	179,279
	36,510,892	205,151

MUMBAI CHARTERED ACCOUNTANTS

EDELWEISS ALTERNATIVE ASSET ADVISORS PTE LIMITED

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

		For the year ended 31 March 2020	For the year ended 31 March 2019
22	**Finance costs**		
	Interest on borrowings		
	On financial liabilities measured at amortised cost		
	Interest on loan from holding company	-	1,346,460
	Financial and bank charges	257,856	214,215
		257,856	1,560,675
23	**Impairment on financial instruments**		
	- Bad-debts and advances written off	(245,716)	7,914,988
		(245,716)	7,914,988
24	**Employee benefit expenses**		
	Salaries	74,621,579	94,150,996
	Provident Fund expenses	2,107,228	2,219,349
	Expense on Employee Stock Option Scheme	964,598	1,940,773
	Staff welfare expenses	3,983,382	3,839,588
	Stock appreciation rights	1,109,339	-
		82,786,126	102,150,706

(Currency : Indian rupees)	For the year ended 31 March 2020	For the year ended 31 March 2019
25 Other expenses		
Advertisement and business promotion	-	1,703,768
Auditors' remuneration (refer note below)	**1,761,705**	826,784
Communication	**1,432,851**	1,762,599
Computer expenses	**175,243**	92,180
Electricity charges (refer note below)	**652,181**	200,757
Legal and professional fees	**8,747,843**	2,542,910
Membership and subscription	**10,674,012**	5,324,066
Office expenses	**1,030,002**	3,651,265
Printing and stationery	**151,334**	241,349
Rent (refer note below)	**9,277,099**	5,999,318
Seminar and Conference	**3,926,418**	2,142,268
Travelling and conveyance	**3,998,783**	10,050,701
Selling and distribution expesnes	**346,584,912**	403,223,111
	388,412,383	437,761,076

Note:

(a) Auditors' remuneration:		
As Auditors	**1,705,881**	797,698
Towards reimbursement of expenses	**55,824**	29,086
	1,761,705	826,784

(b) Cost sharing:

Edelweiss International (Singapore) Pte Limited being the group company incurs common rent & other amenities expenditure which is for the benefit of the Company. This cost so expended is reimbursed by the Company on the basis of area occupied. Accordingly, and as identified by the management, the expenditure heads in the statement of the profit and loss are inclusive of the reimbursements.

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Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

26 Income Tax

The components of income tax expense for the years ended 31 March 2020 and 2019 are:

Particulars	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Current tax	-	-
Total tax charge	-	-
Current tax	-	-
Deferred tax	-	-

Reconciliation of total tax charge

Particulars	**For the year ended 31 March 2020**	For the year ended 31 March 2019
Accounting profit before tax as per financial statements	**48,422,332**	270,294,304
Tax rate (in percentage)	**10.00%**	10.00%
Income tax expense calculated based on this tax rate	**4,842,233**	27,029,430
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised	**(4,037,922)**	(27,492,566)
Impact of certain items being taxed at different rates (Non FSI income)	**186,406**	411,612
Other Permanent differences	**(990,717)**	51,524
Tax charge for the year recorded in P&L	-	-

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

As at 31 March 2020

Financial Year to which the loss relates to	**Unused tax losses**
FY 17-18 (*)	**9,247,319**
Total	**9,247,319**

As at 31 March 2019

Financial Year to which the loss relates to	**Unused tax losses**
FY 17-18	**12,485,188**
Total	**12,485,188**

(*) Change in amount of loss is due to utilisation and foreign currency translation.

Tax losses are subject to agreement by the Tax authorities and compliance with the provisions of Section 37 of the Singapore Income Tax Act, Chapter 134. Deferred Tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise the benefits and do not expire under current legislation.

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Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

27 Earning Per Share

The computation of earnings per share is set out below

	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Shareholders earnings (as per Statement of profit and loss)	**48,422,332**	270,294,304
b) Calculation of weighted average number of ordinary shares of SGD 1/- each:		
- Number of shares at the beginning of the year	**9,230,000**	9,230,000
- Number of shares issued during the year	**-**	-
Total number of ordinary shares outstanding at the end of the year	**9,230,000**	9,230,000
Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	**9,230,000**	9,230,000
Value per share in SGD	**1**	1
c) Basic and diluted earnings per share (in rupees) (a/b)	**5.25**	29.28

28 Segment reporting

The Company has operated only in one business segment during the year viz. asset management. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Further, there are no reportable geographical segments.

29 Retirement benefit plan

Defined contribution plan

Amount of Rs 2,107,228 (Previous year: Rs 2,219,349) is recognised as expenses and included in "Employee benefit expense" - Note 24 in the statement of Profit and Loss.

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(Currency : Indian rupees)

30 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		
Particulars	**Within 12 months**	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	**23,392,729**	**-**	**23,392,729**	331,327,224	-	331,327,224
Other bank balances	**14,215,433**	**-**	**14,215,433**	12,747,121	-	12,747,121
Trade receivables	**78,642,547**	**-**	**78,642,547**	24,251,751	-	24,251,751
Loans	**196,998,678**	**-**	**196,998,678**	103,872,715	-	103,872,715
Other financial assets	**13,928,590**	**-**	**13,928,590**	36,258,709	-	36,258,709
Non-financial assets						
Property, plant and equipment	**-**	**445,628**	**445,628**	-	597696	597,696
Other intangible assets	**-**	**4,605**	**4,605**	-	13,927	13,927
Other non-financial assets	**102,053,799**	**331,873,814**	**433,927,613**	61,402,508	341,864,301	403,266,809
Total assets (A)	**429,231,776**	**332,324,047**	**761,555,823**	569,860,028	342,475,924	912,335,952

	31 March 2020			31 March 2019		
Particulars	**Within 12 months**	**After 12 months**	**Total**	Within 12 months	After 12 months	Total
Financial liabilities						
Trade payables	**40,671,556**	**-**	**40,671,556**	159,294,115	-	159,294,115
Other financial liabilities	**172,630,771**	**76,651,706**	**249,282,477**	204,876,808	143,771,908	348,648,716
Non-financial liabilities						
Provisions	**132,563**	**625,697**	**758,260**	153,124	709,473	862,597
Other non-financial liabilities	**18,752,346**	**-**	**18,752,346**	16,166,265	-	16,166,265
Total liabilities	**232,187,236**	**77,277,403**	**309,464,639**	380,490,312	144,481,381	524,971,693

Net (A-B)	**197,044,539**	**255,046,645**	**452,091,184**	189,369,716	197,994,543	387,364,259

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Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

31 Change in liabilities arising from financing activities

Particulars	1 April 2019	Cash flows	Changes in fair values	Exchange differences	Others*	Non-cash movement	31 March 2020
Borrowings other than debt securities	-	-	-	-	-	-	-
Total liabilities from financing activities	-	-	-	-	-	-	-

* Includes the effect of interest charged.

Particulars	1 April 2018	Cash flows	Changes in fair values	Exchange differences	Others*	Non-cash movement	31 March 2019
Borrowings other than debt securities	58,442,501	(59,788,961)	-	-	1,346,460	-	-
Total liabilities from financing activities	**58,442,501**	**(59,788,961)**	-	-	**1,346,460**	-	-

* Includes the effect of accrued but not paid interest on borrowing and foreign exchange translation

32 <u>Contingent liabilities, commitments and lease arrangements</u>

32.1 Legal claims

There are no legal claims outstanding against the Company as at 31 March 2020 (previous year Nil)

32.2 Operating lease commitments

The company has not taken any premises or equipment on lease as at 31 March 2020 (previous year Nil)

32.3 Contingent liabilities and assets

The company doesn't have contingent liabilities as at 31 March 2020 (previous year Nil)

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Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements

(Currency : Indian rupees)

33 **Related party disclosures as required by Ind AS 24– "Related Party Disclosure":**

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

Edelweiss Capital (Singapore) Pte. Limited - Holding company
Edelweiss Financial Services Limited - Ultimate Holding company

(B) Names of fellow subsidiaries with whom transactions have taken place during the year

Edelweiss International (Singapore) Pte Limited
Edelweiss Financial Services Inc
Edelweiss Alternative Asset Advisors Limited
EAAA LLC
Edelweiss Investment Advisors Private Limited
Edelweiss Rural & Corporate Services Limited

(C) Key Management Personnel

Mr. Vivek Sharma
Mr.Ashish Pithawala

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Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

33 Related party disclosures as required by Ind AS 24– "Related Party Disclosure": (continued)

D Transactions and balances with Related Parties

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2020	For the year ended 31 March 2019
(i)	**Current account transactions during the year**			
	Short term loans repaid to (refer note below)	Edelweiss Capital (Singapore) Pte. Limited	-	60,308,015
	Short term loans given to (refer note below)	Edelweiss Capital (Singapore) Pte. Limited	70,921,200	104,853,581
	Interest paid on loans taken from	Edelweiss Capital (Singapore) Pte. Limited	-	1,346,460
	Interest income on loans given to	Edelweiss Capital (Singapore) Pte. Limited	7,868,443	63,089
	Remuneration paid to (refer note below)	Mr.Vivek Sharma	18,926,950	20,850,216
		Mr. Ashish Pithawala	16,600,543	20,078,043
	Cost reimbursements paid to	Edelweiss International (Singapore) Pte Limited	11,353,008	6,200,075
		Edelweiss Capital (Singapore) Pte. Limited	249,864	-
		Edelweiss Rural & Corporate Services Limited	-	2,593,431
	Reimbursements paid to	Edelweiss Alternative Asset Advisors Limited	58,195,669	84,174,586
	Reimburements received from	EAAA LLC	62,884	2,679,191
		Edelweiss Investment Advisors Private Limited	1,321,697	-
	Distribution and sub-advisory fee paid to	Edelweiss Financial Services Inc	89,052,185	94,436,946
		Edelweiss Alternative Asset Advisors Limited	213,897,548	255,406,667
(iii)	**Balances with related parties**			
	Short term loans given to	Edelweiss Capital (Singapore) Pte. Limited	188,862,506	103,872,715
	Interest receivable but not due	Edelweiss Capital (Singapore) Pte. Limited	8,136,172	-
	Other non financial asset			
	Contract Asset	Edelweiss Financial Services Inc.	281,087,899	273,971,279
	Other financial liabilities			
	Contract liability	Edelweiss Financial Services Inc.	105,851,784	152,074,189
	Trade payable to	Edelweiss Financial Services Inc.	5,722,267	2,670,630
		Edelweiss International (Singapore) Pte Limited	2,888,126	16,256
		Edelweiss Alternative Asset Advisors Limited	22,922,922	149,752,847
		Edelweiss Financial Services Limited	2,127,371	-
		Edelweiss Rural & Corporate Services Limited	-	1,446,860

Note :

1) Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity and leave encashment which ae provided for group of employees on an overall basis. These are included on cash basis. The variable compensation included herein is on cash basis.

2) Loan given taken to/from related parties are disclosed based on the maximum incremental amoum given/taken during the reporting period.

3) Disclosure under section 186(4) of the Companies Act, 2013 for loans and guarantee: Loans have been given for general business purpose.

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34 Capital management

The Company's objective when managing capital is to ensure that the Company is adequately capitalised. This is achieved by obtaining funding from its holding corporation when necessary.
The Company defines "capital" as including all components of equity. The Company's capital structure is regularly reviewed and managed with due regard to the capital management practices of the group to which the Company belongs.
There were no changes in the Company's approach to capital management during the year.
The Company is required to maintain a base capital of Singapore Dollars (SGD) 250,000 with respect to the licensing requirement imposed by the Monetary Authority of Singapore, pursuant to the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licenses) Regulations 2002.

35 Fair Value measurement

Fair value information of the financial assets and liabilites not measured at fair value has not been presented as the carrying amount is a reasonable approximation of the fair value due to their short term nature

36 Risk Management

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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(Currency : Indian rupees)

36 Risk Management (continued)

36.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The carrying amounts of financial assets in the statement of financial position represent the Company's maximum exposure to credit risk, before taking into account any collateral held. The Company does not hold any collateral in respect of their financial assets.

At the reporting date, there was no significant concentration of credit risk. The maximum credit risk is represented by the carrying amount of each financial asset in the statement of financial position.
The Company's cash and cash equivalents are held with reputed financial institutions.Trade receivables largely comprise of receivables from Funds managed by itself. Loans comprises of loans given to its Holding Company.

36.1.1 Analysis of risk concentration

The company primarily operates in financial services industry. Following table shows the risk concentration by the industry for the components of the balance sheet

Particulars	**31 March 2020**	31 March 2019
Financial assets		
Cash and cash equivalent and other bank balances	**37,608,162**	344,074,345
Trade and other receivables	**78,642,547**	24,251,751
Loans given to group company	**196,998,678**	103,872,715
Other financial assets	**13,905,259**	36,236,251
Total	**327,154,646**	508,435,062

Others

Particulars	**31 March 2020**	31 March 2019
Financial assets		
Other financial assets	**23,331**	22,458
Total	**23,331**	22,458

36.1.2 Collateral held and other credit enhancements

The table below shows the maximum exposure to credit risk by class of financial asset. The carrying amounts of financial assets represent the Company's maximum exposure to credit risk, before taking into account any collateral held.

Particulars	**Maximum exposure to credit risk**	
	31 March 2020	31 March 2019
Financial assets		
Cash and cash equivalent and other bank balances	**37,608,162**	344,074,345
Loans	**196,998,678**	103,872,715
Trade receivables	**78,642,547**	24,251,751
Total financial assets at amortised cost	**313,249,387**	472,198,811
Other financial assets	**13,928,590**	36,258,709
Total	**327,177,977**	508,457,520

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

The Company's cash and cash equivalents are held with reputed financial institutions.

Edelweiss Alternative Asset Advisors Pte. Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees)
36 Risk Management (continued)

36.2 Liquidity risk and funding management

Liquidity or funding risk is the risk that an enterprise 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. The table below summarise the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments.

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

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

The table below summarises the maturity profile of the undiscounted cash flows of the Company's financial liabilities 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**
Trade payables	-	-	-	-	**40,671,556**	-	-	-	-	-	**40,671,556**
Other financial liabilities	-	-	-	-	**73,646,073**	-	**98,984,698**	**76,651,706**	-	-	**249,282,477**
Total	-	-	-	-	**114,317,629**	-	**98,984,698**	**76,651,706**	-	-	**289,954,033**

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	-	-	-	-	159,294,115	-	-	-	-	-	159,294,115
Other financial liabilities	-	-	-	-	92,612,975	-	112,263,833	143,771,908	-	-	348,648,716
Total	-	-	-	-	251,907,090	-	112,263,833	143,771,908	-	-	507,942,831

Edelweiss Alternative Asset Advisors Pte. Limited
Notes to the financial statements (Continued)

(Currency : Indian rupees)

36 Risk Management (continued)

36.2 Liquidity risk and funding management (continued)

36.2.1 Analysis of financial liabilities and financial assets by remaining contractual maturities (continued)

B Analysis of financial assets by remaining contractual maturities

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 and other bank balances	23,392,729	-	-	14,215,433	-	-		-	-	-	37,608,162
Trade receivables	-	-	-	-	78,642,547	-	-	-	-	-	78,642,547
Loans	196,998,678	-	-	-	-	-	-	-	-	-	196,998,678
Other financial assets	-	-	-	-	-	-	13,928,590	-	-	-	13,928,590
Total	**220,391,407**	**-**	**-**	**14,215,433**	**78,642,547**	**-**	**13,928,590**	**-**	**-**	**-**	**327,177,977**

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 and other bank balances	331,327,224	-	-	-	-	-	12,747,121	-	-	-	344,074,345
Trade receivables	-	-	-	-	24,251,751	-	-	-	-	-	24,251,751
Loans	103,872,715	-	-	-	-	-	-	-	-	-	103,872,715
Other financial assets	-	-	-	-	-	-	36,258,709	-	-	-	36,258,709
Total	435,199,939	-	-	-	24,251,751	-	49,005,830	-	-	-	508,457,520

MUMBAI CHARTERED ACCOUNTANTS

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

36 Risk Management (continued)

36.2.2 Liquidity Reserves

36.2.2 Financial assets available to support future lending

Particulars	31 March 2020		
	Unencumbered		
	Available as collateral	others 1	Total carrying amount
Cash and cash equivalent including bank balance	-	37,608,162	37,608,162
Trade receivables	78,642,547	-	78,642,547
Other financial assets	-	13,928,590	13,928,590
loans	-	196,998,678	196,998,678
Property, Plant and Equipment	-	445,628	445,628
Total assets	78,642,547	248,981,058	327,623,605

Particulars	31 March 2019		
	Unencumbered		
	Available as collateral	others 1	Total carrying amount
Cash and cash equivalent including bank balance	-	344,074,345	344,074,345
Trade receivables	24,251,751	-	24,251,751
Other financial assets	-	36,258,709	36,258,709
loans	-	103,872,715	103,872,715
Property, Plant and Equipment	-	597,696	597,696
Total assets	24,251,751	484,803,465	509,055,216

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

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

36 Risk Management (continued)

36.3 Total market risk exposure

36.3.1 Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios.

	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 equivalent and other bank balances	**37,608,162**	-	**37,608,162**	344,074,345	-	344,074,345
Loans	**196,998,678**	-	**196,998,678**	103,872,715	-	103,872,715
Trade receivables	**78,642,547**	-	**78,642,547**	24,251,751	-	24,251,751
Other Financial Assets	**13,928,590**	-	**13,928,590**	36,258,709	-	36,258,709
Total	**327,177,977**	-	**327,177,977**	508,457,520	-	508,457,520
			-	-		
Liability						
Trade Payables	**40,671,556**	-	**40,671,556**	159,294,115	-	159,294,115
Other fianancial liabilities	**249,282,477**	-	**249,282,477**	348,648,716	-	348,648,716
Total	**289,954,033**	-	**289,954,033**	507,942,831	-	507,942,831

MUMBAI

(Currency : Indian rupees)

36 Risk Management (continued)

36.3 Market risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non–trading portfolios and manages each of those portfolios separately (These wordings are Illustrative and need to be suitably modified as per the facts applicable to each entity).

36.3.2 (i) Interest rate risk

For FY 2020 & FY 2019 the Company is not exposed to interest rate risk. The Deposits with bank and Loans to Holding Company are at fixed rate of interest.

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

(ii) 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.

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non–trading monetary assets and liabilities) and equity (due to the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges).

	31 March 2020					
Currency	**Increase in currency rate (%)**	**Effect on profit before tax**	**Effect on Equity**	**Decrease in currency rate (%)**	**Effect on profit before tax**	**Effect on Equity**
USD	5	1,741,769	-	5	(1,741,769)	-
GBP	5	(4,567)		5	4,567	

	31 March 2019					
Currency	**Increase in currency rate (%)**	**Effect on profit before tax**	**Effect on Equity**	**Decrease in currency rate (%)**	**Effect on profit before tax**	**Effect on Equity**
USD	5	(1,905,290)	0	5	1,905,290	-
GBP	5	(84,488)	0	5	84,488	-

The Company has not significant exposure to price risk.

Edelweiss Alternative Asset Advisors Pte. Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

37 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.

37.1 The 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	**78,642,547**	24,251,751
Total Assets	**78,642,547**	24,251,751
Size of the structured entity	**93,775,711,463**	92,779,464,690
Income from the structured entity	**475,299,350**	819,456,955

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

Particulars	31 March 2020	31 March 2019
Income from those structure entities	475,299,350.00	819,456,955.00
Type of income	Investment Management Fees	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
Mumbai
26 June 2020

For and on behalf of board of diretors

Ashish Pithawala
Director

Vivek Sharma
Director

26 June 2020