

INDEPENDENT AUDITOR'S REPORT

To the Members of **Edelweiss Capital (Singapore) Pte. Limited**

Report on the Audit of the Special Purpose Financial Statements

Opinion

We have audited the accompanying Special Purpose Financial Statements of **Edelweiss Capital (Singapore) 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 loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 2 in the financial statements, which describes that the financial statements have been prepared on a basis other than a going concern basis in accordance with the Board of Directors' resolution dated June 18, 2020, whereby Directors has approved to wind up the Company. Our opinion is not modified in respect of this matter.

Other Information

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

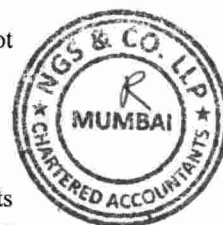
Responsibility of Management for the Special Purpose Financial Statements

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

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

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

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

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

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

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

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

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




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



UDIN: 20104796AAABAS9466

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 Capital (Singapore) 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.

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



UDIN: 20104796AAABAS9466

Place : Mumbai
Date : June 26, 2020

Edelweiss Capital (Singapore) Pte. Limited
Notes to the financial statements
(Currency : Indian Rupees)



Edelweiss Capital (Singapore) Pte. Limited
Notes to the financial statements
(Currency :Indian Rupees)

Edelweiss Capital (Singapore) Pte. Limited
Financial Statements for the year ended 31 March 2020

Edelweiss Capital (Singapore) Pte. Limited

Balance Sheet

(Currency : Indian rupees)

	Note	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	7	8,255,949	20,433,615
Loans	8	-	41,232,346
Investments	9	584,872,993	2,747,445,816
		<u>593,128,942</u>	<u>2,809,111,777</u>
Non-financial assets			
Other non- financial assets	10	71,772	38,281
		<u>71,772</u>	<u>38,281</u>
TOTAL ASSETS		<u>593,200,714</u>	<u>2,809,150,058</u>
LIABILITIES AND EQUITY			
Financial liabilities			
Trade payables		653,112	1,024,000
Borrowings	11	562,754,391	2,708,792,351
		<u>563,407,503</u>	<u>2,709,816,351</u>
Non-financial liabilities			
Other non-financial liabilities	12	13,007,962	24,783,890
		<u>13,007,962</u>	<u>24,783,890</u>
Equity			
Equity share capital	13	466,362,829	466,362,829
Other equity		(449,577,580)	(391,813,012)
		<u>16,785,249</u>	<u>74,549,817</u>
TOTAL LIABILITIES AND EQUITY		<u>593,200,714</u>	<u>2,809,150,058</u>

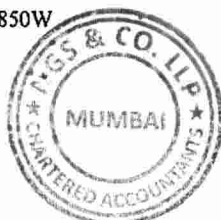
Significant accounting policies and notes to the financial statements

I to 28

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
June 26, 2020

For and on behalf of the Board of Directors

A. Venkatchalam
Venkatchalam Ramaswamy
Director

Ashish Pithawala
Director

June 26, 2020

June 26, 2020



Edelweiss Capital (Singapore) Pte. Limited

Statement of Profit and Loss

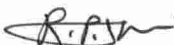
(Currency : Indian rupees)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
Interest income	14	643,600	29,421,263
Net gain on fair value changes	15	132,741,985	-
Other income		-	-
Total Income		133,385,585	29,421,263
Expenses			
Finance costs	16	120,358,046	185,816,011
Other expenses	17	72,166,209	90,809,092
Total expenses		192,524,255	276,625,103
Loss before tax		(59,138,670)	(247,203,840)
Tax expenses	18	-	-
Loss for the year		(59,138,670)	(247,203,840)
Loss for the year		(59,138,670)	(247,203,840)
Other Comprehensive Income			
Items that will be reclassified to profit or loss			
Foreign Exchange Translation Reserve		1,374,102	4,786,479
Total		1,374,102	4,786,479
Total Comprehensive Income		(57,764,568)	(242,417,361)
Earnings per equity share (of SGD 1 each):			
Basic and Diluted	19	(6.12)	(36.16)

Significant accounting policies and notes to the financial statements 1 to 28

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
June 26, 2020



For and on behalf of the Board of Directors


Venkatchalam Ramaswamy
Director

June 26, 2020


Ashish Pithawala
Director

June 26, 2020



Edelweiss Capital (Singapore) Pte. Limited

Cash Flow Statement

(Currency: Indian rupees)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from operating activities		
(Loss) before taxation	(59,138,670)	(247,203,840)
Adjustments for		
Profit on sale of long term investment	(132,741,985)	-
Interest income	(643,600)	-
Interest expense	120,295,698	185,682,639
Operating cash flow before working capital changes	(72,228,557)	(61,521,201)
Add / (Less): Adjustments for working capital changes		
Decrease in loans and advances	42,402,761	1,011,300,395
(Increase) in other non- financial assets	(31,199)	-
(Decrease) in trade payables	(400,376)	(53,754)
(Decrease)/ Increase in other non financial liabilities	(12,419,313)	1,179,106
Cash (used in) / generated from operations	(42,676,684)	950,904,546
Income taxes paid	-	-
Net cash (used in) / generated from operating activities - A	(42,676,684)	950,904,546
B Cash flow from investing activities		
Proceeds from sale of investments in subsidiaries	2,345,108,758	-
Net cash generated from investing activities - B	2,345,108,758	-
C Cash flow from financing activities		
Repayment of short term borrowings (net) (refer note 2)	(2,089,607,353)	(707,605,714)
Interest paid	(225,470,825)	(169,436,224)
Net cash generated from financing activities - C	(2,315,078,178)	(877,041,938)
D Change in foreign exchange translation reserve - D	468,438	(60,689,903)
Net (decrease) / increase in cash and cash equivalents (A+B+C+D)	(12,177,666)	13,172,705
Cash and cash equivalents as at the beginning of the year	20,433,615	7,260,910
Cash and cash equivalents as at the end of the year	8,255,949	20,433,615

Note :

- During the previous year, the Company has converted borrowings from its holding company amounting to Rs. 204,164,800 into its own equity shares. The same being non-cash in nature, hence not disclosed in the above cash flow statement.
- Net figures have been reported for loans and advances and borrowings on account of volume of transactions.

As per our report of even date attached.

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

R. P. Soni
Partner
Membership No.: 104796

Mumbai
June 26, 2020



For and on behalf of the Board of Directors

Al Venkatachala
Venkatachalam Ramaswamy
Director

Ashish Pithawala
Director

June 26, 2020

June 26, 2020



Edelweiss Capital (Singapore) Pte. Limited

Statement of Changes in Equity

(Currency : Indian rupees)

(A) Equity share capital

Balance as at 1 April 2018	Changes in equity share capital	Balance as at 31 March 2019	Changes in equity share capital	Balance as at 31 March 2020
320,530,822	145,832,007	466,362,829	-	466,362,829

(B) Other Equity

	Reserves and Surplus			
	Foreign Exchange Translation Reserve	Securitiy premium	Retained earnings	Total
Balance at 1 April 2018 (Ind AS)	7,515,387	-	(215,243,831)	(207,728,444)
Loss for the year	-	-	(247,203,840)	(247,203,840)
Add: Security premium	-	58,332,793	-	58,332,793
Other comprehensive income	4,786,479	-	-	4,786,479
Total Comprehensive Income for the year	4,786,479	58,332,793	(247,203,840)	(184,084,568)
Balance at 31 March 2019 (Ind AS)	12,301,866	58,332,793	(462,447,671)	(391,813,012)
Loss for the year	-	-	(59,138,670)	(59,138,670)
Other comprehensive income	1,374,102	-	-	1,374,102
Total Comprehensive Income for the year	1,374,102	-	(59,138,670)	(57,764,568)
Balance at 31 March 2020 (Ind AS)	13,675,968	58,332,793	(521,586,341)	(449,577,580)

Nature and purpose of reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Singapore Companies Act.

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 Parent company, for the purposes of consolidation. Foreign Exchange Translation reserve represents the exchange difference arising on translation difference arising on conversion of financial statements from functional currency to the presentation currency.

As per our report of even date attached.

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



R. P. Soni

Partner

Membership No.: 104796



Mumbai

June 26, 2020

For and on behalf of the Board of Directors



Venkatchalam Ramaswamy

Director

June 26, 2020



Ashish Pithawala

Director

June 26, 2020



Edelweiss Capital (Singapore) Pte. Limited

Notes to the financial statements

(Currency : Indian Rupees)

1. Background

Edelweiss Capital (Singapore) Pte Ltd. (the "Company") is a company incorporated in the Republic of Singapore. The address of the Company's registered office is 9 Raffles Place, #27-00 Republic Plaza, Singapore 048619.

The principal activity of the Company is to invest in the shares and securities of other body corporates.

The Company's immediate and ultimate holding company is Edelweiss Financial Services Limited, 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 Dollars which is its Functional currency. However for consolidation purpose, the company presents these financial statements in INR, which is the functional currency of the ultimate holding company.

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

These financial statements have been prepared on a historical cost basis, except for certain financial instruments such as financial asset measured at fair value through other comprehensive income (FVOCI) instruments, which have been measured at fair value. The Financial Statements are presented in Indian Rupees (INR) except when otherwise indicated.

Estimation of uncertainties relating to the global health pandemic from COVID-19

The outbreak of COVID-19 virus continues to spread across the globe including India, resulting in significant volatility in financial markets and a significant decrease in global and India's economic activities. On March 11, 2020, this outbreak was declared a global pandemic by the World Health Organization. On March 24, 2020, the Indian Government announced a 21 – days lockdown which was further extended till 31st May 2020 across the nation to contain the spread of the virus and still continues to be across many parts of the country in India. The pandemic and its consequent adverse effect on the economy also adversely impacted the financial markets.

In preparing these financial statements, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments as at March 31, 2020 based on estimate of the future results and various internal and external information available up to the date of approval of these 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.

Going concern

The Board of Directors of the Company has approved the plan of liquidation vide the resolution dated 18 June 2020, subject to necessary regulatory approvals. As a result the Company has changed its basis of accounting from the going concern basis to a liquidation basis.



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Edelweiss Capital (Singapore) Pte. Limited

Notes to the financial statements

(Currency : Indian Rupees)

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 21.

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 and Dividend income

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

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

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

4.2 Financial Instruments

4.2.1 Date of recognition

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

4.2.2 Initial measurement of financial instruments

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

4.2.3 Day 1 profit or loss

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



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Edelweiss Capital (Singapore) Pte. Limited

Notes to the financial statements

(Currency : Indian Rupees)

4. Significant accounting policies (continued)

4.3 Classification of financial instruments

4.3.1 Financial assets:

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

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

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

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

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

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

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

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

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

4.3.1.1 Amortized cost and Effective interest method

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

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

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



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Edelweiss Capital (Singapore) Pte. Limited

Notes to the financial statements

(Currency : Indian Rupees)

4 . Significant accounting policies (continued)

4.3.1.2 Investment in equity instruments of subsidiaries

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

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

4.3.2 Financial liabilities

All financial liabilities are measured at amortised cost except financial guarantees.

4.3.2.1 Debt securities and other borrowed funds

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

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

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; Or
- The liabilities are part of a Company of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; Or
- Financial assets and financial liabilities at FVTPL are recorded in the balance sheet at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Company's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or finance cost, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate.



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Notes to the financial statements

(Currency : Indian Rupees)

4. Significant accounting policies (continued)

4.3.3 Financial liabilities and equity instruments

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

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

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

4.4 Reclassification of financial assets and financial liabilities

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

4.5 Derecognition of financial assets and financial liabilities

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

The Company derecognises a financial asset, 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)

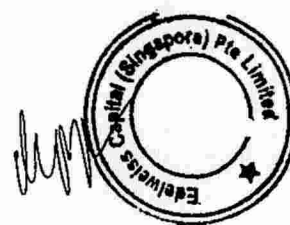
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial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

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

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

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



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Notes to the financial statements

(Currency : Indian Rupees)

4. Significant accounting policies (continued)

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

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 and lease 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.



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Edelweiss Capital (Singapore) Pte. Limited

Notes to the financial statements

(Currency : Indian Rupees)

4. Significant accounting policies (continued)

4.6 Impairment of financial assets (continued)

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. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount.

4.8 Determination of fair value

The Company measures financial instruments 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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Notes to the financial statements

(Currency : Indian Rupees)

4. Significant accounting policies (continued)

4.8 Determination of fair value (continued)

- 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 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.

4.10 Foreign currency transactions

The Financial Statements are presented in Indian Rupees which is also functional currency of the Company. 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.

4.11 Impairment of non-financial assets

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

4.12 Cash and cash equivalents

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



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Edelweiss Capital (Singapore) Pte. Limited

Notes to the financial statements

(Currency : Indian Rupees)

4. Significant accounting policies (continued)

4.13 Provisions and other contingent liabilities

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

4.14 Income tax expenses

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

4.14.1 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.

4.14.2 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.

4.14.3 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.



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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 Company's 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

As explained in note 4.6, 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.

5.2 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.



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Edelweiss Capital (Singapore) Pte. Limited

Notes to the financial statements

(Currency : Indian Rupees)

5. Critical accounting judgements and key sources of estimation uncertainty (continued)

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 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.

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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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

7. Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks - in current accounts	8,255,949	20,433,615
Total	8,255,949	20,433,615

8. Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured loans		
Loans given to subsidiary company outside India	-	41,232,346
Total	-	41,232,346

Loans given to subsidiary company are unsecured and repayable on demand. It bears an interest rate based on quarterly average borrowing rate plus 25 bps, compounded monthly for the financial year ended 31 March 2020 ranging between 5.41% to 5.55% (2019 – 5.72% to 5.94% p.a.). The loans are measured at amortised cost.

9. Investments

Particulars	At amortised cost	
	As at March 31, 2020	As at March 31, 2019
Unquoted shares at cost		
Investment in ordinary shares of subsidiaries		
Edelweiss International (Singapore) Pte. Ltd.	-	2,184,456,531
Edelweiss Alternative Asset Advisors Pte. Ltd.	489,422,596	471,110,276
Edelweiss Investment Advisors Pte. Ltd.	95,445,360	91,874,160
Investment in Class B of subsidiaries		
Edelweiss Alternative Asset Advisors Pte. Ltd.	5,037	4,849
Total (A)	584,872,993	2,747,445,816
(i) Investments outside India	584,872,993	2,747,445,816
(ii) Investment in India	-	-
Total (B)	584,872,993	2,747,445,816
Less: Allowance for impairment (C)	-	-
Total Net (A-C)	584,872,993	2,747,445,816



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Notes to the financial statements (continued)

(Currency : Indian rupees)

10. Other non-financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	71,772	38,281
Total	71,772	38,281

11. Borrowings (other than debt securities)

Particulars	At amortised cost	
	As at March 31, 2020	As at March 31, 2019
Unsecured		
Loan from Edelweiss Financial Services Limited	-	2,084,995,297
Loan from Edelweiss Alternative Asset Advisors Pte. Ltd.	196,625,339	103,857,393
Loan from Edelweiss International (Singapore) Pte. Ltd.	37,004,041	-
Loan from Aster Commodities DMCC	329,125,011	519,939,661
Total (A)	562,754,391	2,708,792,351
(i) Borrowings outside India	562,754,391	2,708,792,351
(ii) Borrowings in India	-	-
Total (B)	562,754,391	2,708,792,351

Loans from related parties

Loans from Edelweiss Financial Services Limited is unsecured having tenure of one year from the date of loan. It bears an interest rate based on quarterly average Indian Government Securities yield, compounded monthly for the financial year ended 31 March 2020 ranging between 5.24% to 6.30% p.a. (2019- 6.62% to 7.32% p.a.).

Loan from Edelweiss Alternative Asset Advisors Pte. Ltd. is unsecured and repayable on demand. It bears a fixed interest rate of 5.50% p.a. compounded monthly.

Loan from Edelweiss International (Singapore) Pte. Ltd. is unsecured and repayable on demand. It bears a fixed interest rate of 5.50% p.a. compounded monthly.

Loans from Aster Commodities DMCC is unsecured, interest free and repayable on demand.

12. Other non-financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Withholding taxes, Goods & service tax and other taxes payable	13,007,962	24,783,890
Total	13,007,962	24,783,890



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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

13. Equity share capital

13.1 Issued capital

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Issued, Subscribed and Paid up:		
9,670,943 (previous year: 9,670,943) Ordinary shares of SGD 1 each, fully paid up	466,362,829	466,362,829
Total	466,362,829	466,362,829

The entire share capital is held by Edelweiss Financial Services Limited, the holding company.

13.2 Movement in share capital :

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	9,670,943	466,362,829	6,813,800	320,530,822
Shares issued during the year	-	-	2,857,143	145,832,007
Outstanding at the end of the year	9,670,943	466,362,829	9,670,943	466,362,829

During the previous year, the Company has issued 2,857,143 shares at a premium of SGD 0.4 per share by converting loans taken from its holding company amounting to Rs. 204,164,800 into ordinary shares.

13.3 Terms/rights attached to equity shares :

The Company has only one class of ordinary shares having a par value of SGD 1 each. Each holder of ordinary shares is entitled to one vote per share held.

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



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Notes to the financial statements (continued)

(Currency : Indian rupees)

14. Interest income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial assets measured at amortised cost		
Interest on loans given to subsidiary company	643,600	29,421,263
Total	643,600	29,421,263

15. Net gain on fair value changes

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) Net gain/(loss) on financial instruments at fair value through profit or loss	-	-
(B) Others (to be specified)		
Profit on sale of long term investment	132,741,985	-
Total Net gain/(loss) on fair value changes (A+B)	132,741,985	-
Fair value changes:		
- Realised	132,741,985	-
- Unrealised	-	-
Total Net gain/(loss) on fair value changes	132,741,985	-

16. Finance costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
On financial liabilities measured at amortised cost		
Interest on borrowings (other than debt securities)	120,295,698	185,682,639
Interest expense - others	62,348	133,372
Total	120,358,046	185,816,011

17. Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Auditors' remuneration (refer note below)	602,581	528,681
Directors' sitting fees	206,773	360,250
Foreign exchange loss (net)	71,166,935	88,364,441
Legal and professional fees	(119,103)	333,336
Membership and subscription	41,298	33,040
Office expenses	4,309	329,989
Postage and courier	336	3,397
Rates and taxes	52,976	56,471
Travelling and conveyance	210,104	799,487
Total	72,166,209	90,809,092
Note:		
Auditors' remuneration:		
As Auditors	568,627	514,660
Towards reimbursement of expenses	33,954	14,021
Total	602,581	528,681



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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

18. Income tax disclosures

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax	-	-
Total tax charge	-	-

(B) Reconciliation of the total tax charge

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit before tax as per financial statements	(59,138,670)	(247,203,840)
Tax rate (in percentage)	17%	17%
Income tax expense calculated based on this tax rate	(10,053,574)	(42,024,653)
Effect of income not subject to tax:	(22,566,137)	-
Effect of non-deductible expenses:	32,531,823	42,827,091
Others-		
Group relief	-	(802,438)
Loss not allowed to be carried forward	87,888	-
Tax expense reported in statement of profit and loss	-	-

(C) Break-up of recognition of current tax

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
In Profit or loss for the year	-	-
In Other comprehensive income	-	-
Directly in equity	-	-
Total	-	-



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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

18. Income tax disclosures

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax	-	-
Total tax charge	-	-

(B) Reconciliation of the total tax charge

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Accounting profit before tax as per financial statements	(59,138,670)	(247,203,840)
Tax rate (in percentage)	17%	17%
Income tax expense calculated based on this tax rate	(10,053,574)	(42,024,653)
Effect of income not subject to tax:	(22,566,137)	-
Effect of non-deductible expenses:	32,531,823	42,827,091
Others-		
Group relief	-	(802,438)
Loss not allowed to be carried forward	87,888	-
Tax expense reported in statement of profit and loss	-	-

(C) Break-up of recognition of current tax

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
In Profit or loss for the year	-	-
In Other comprehensive income	-	-
Directly in equity	-	-
Total	-	-



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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

19. Earnings per share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Shareholders earnings (as per Statement of profit and loss)	(59,138,670)	(247,203,840)
b) Calculation of weighted average number of ordinary shares of SGD 1/- each:		
– Number of shares at the beginning of the year	9,670,943	6,813,800
– Number of shares issued during the year	-	2,857,143
Total number of ordinary shares outstanding at the end of the year	9,670,943	9,670,943
Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	9,670,943	6,837,283
c) Basic and diluted earnings per share (in rupees) (a/b)	(6.12)	(36.16)

20. Segmental information

The Company has operated only in one business segment during the year viz. capital based business comprising of investing in shares, securities and granting of loans. Therefore, the Company has only one reportable business segment, the results of which are disclosed in the financial statements. Further, there are no geographical segments. Hence, no disclosures are required under Segment Reporting.

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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

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

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	8,255,949	-	8,255,949	20,433,615	-	20,433,615
Loans	-	-	-	41,232,346	-	41,232,346
Investments	584,872,993	584,872,993	584,872,993	-	2,747,445,816	2,747,445,816
Non-financial assets						
Other non-financial assets	71,772	-	71,772	38,281	-	38,281
	71,772	-	71,772	38,281	-	38,281
Total assets (A)	593,200,714	-	593,200,714	61,704,242	2,747,445,816	2,809,150,058

Particulars	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities						
Trade payables	653,112	-	653,112	1,024,000	-	1,024,000
Borrowing	562,754,391	-	562,754,391	2,708,792,351	-	2,708,792,351
(other than debt securities)	563,407,503	-	563,407,503	2,709,816,351	-	2,709,816,351
Non-financial liabilities						
Other non-financial liabilities	13,007,962	-	13,007,962	24,783,890	-	24,783,890
	13,007,962	-	13,007,962	24,783,890	-	24,783,890
Total liabilities (B)	576,415,465	-	576,415,465	2,734,600,241	-	2,734,600,241
Net (A-B)	16,785,249	-	16,785,249	(2,672,895,999)	2,747,445,816	74,549,817

Attestation

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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

22. Change in liabilities arising from financing activities

Movement in liabilities arising from financing activities for the financial year 2020 is as below:

Particulars	1 April 2019	Cash flows	Changes in fair values	Exchange differences	Others*	31 March 2020
Borrowings (other than debt securities)	2,708,792,351	(2,315,078,179)	-	48,744,521	120,295,698	562,754,391
Total liabilities from financing activities	2,708,792,351	(2,315,078,179)	-	48,744,521	120,295,698	562,754,391

* Others includes interest charge for the year

Movement in liabilities arising from financing activities for the financial year 2019 is as below:

Particulars	1 April 2018	Cash flows	Changes in fair values	Exchange differences	Others*	31 March 2019
Borrowings (other than debt securities)	3,604,316,450	(877,041,938)	-	-	(18,482,161)	2,708,792,351
Total liabilities from financing activities	3,604,316,450	(877,041,938)	-	-	(18,482,161)	2,708,792,351

* Others includes interest charge for the year and borrowings and interest there of converted into equity shares

23. Related party disclosures

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

Edelweiss Financial Services Limited

(B) Subsidiaries on whom control is exercised by the Company

Edelweiss Alternative Assets Advisors Pte Limited

Edelweiss Investment Advisors Pte Limited

Edelweiss International (Singapore) Pte Limited (till 25 March 2020)

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

Aster Commodities DMCC

Edelweiss Rural & Corporate Services Limited

Edel Investment Limited

(D) Names of key managerial personnel

Venkatchalam Ramaswamy

Kunnasagaran Chinniah

Ashish Pithawala

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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

23. Related party disclosures (continued)

(E) Transactions and balances with related parties :

Sr. No.	Nature of transaction	Related party name	31 March 2020	31 March 2019
(I)	Capital account transactions during the year	Ordinary shares issued to Edelweiss Financial Services Limited	-	204,164,800
		Sale of investment in Edelweiss International (Singapore) Pte Limited	2,348,121,194	-
(II)	Current account transactions during the year	Short term loans taken from (refer note 1 below)		
		Edelweiss International (Singapore) Pte Limited	125,104,675	45,334,355
		Edelweiss Alternative Asset Advisors Pte Limited	70,907,755	104,853,581
		Aster Commodities DMCC	71,049,145	754,352,374
	Short term loans repaid to (refer note 1 below)	Edelweiss Financial Services Limited	2,021,853,178	1,186,726,152
		Edelweiss International (Singapore) Pte Limited	157,644,972	45,334,355
		Aster Commodities DMCC	294,338,091	802,357,567
	Short term loans given to (refer note 1 below)	Edelweiss International (Singapore) Pte Limited	35,631,614	102,089,339
		Edelweiss International (Singapore) Pte Limited	77,757,940	1,117,659,142
	Short term loans repaid by (refer note 1 below)	Edelweiss Alternative Asset Advisors Pte Limited	-	81,914,451
		Edelweiss Financial Services Limited	109,862,378	185,533,009
	Interest expense on loans taken from	Edelweiss Alternative Asset Advisors Pte Limited	7,853,419	63,080
		Edelweiss International (Singapore) Pte Limited	2,579,901	86,550
		Edelweiss International (Singapore) Pte Limited	643,600	28,074,812
	Interest received on loans given to	Edelweiss Alternative Asset Advisors Pte Limited	-	1,346,451
		Kunnasagaran Chinniah	206,773	205,857
	Remuneration paid to	Sanjiv Misra	-	154,393
		Edelweiss Rural & Corporate Services Limited	-	328,090
	Cost reimbursement paid to	Edelweiss International (Singapore) Pte Limited	142,780	-
		Edelweiss Alternative Asset Advisors Pte Limited	249,864	-



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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency: Indian rupees)

23. Related party disclosures (continued)

(E) Transactions and balances with related parties :

Sr. No.	Nature of transaction	Related party name	31 March 2020	31 March 2019
(III)	Balances with related parties			
	Borrowings (other than debt securities) from	Edelweiss Financial Services Limited	-	1,973,060,204
		Aster Commodities DMCC	329,125,011	519,939,661
		Edelweiss Alternative Asset Advisors Pte Limited	188,504,586	103,794,832
		Edelweiss International (Singapore) Pte Limited	36,658,654	-
	Trade payables to	Edelweiss Rural & Corporate Services Limited	-	138,066
	Interest accrued but not due on borrowings from	Edelweiss Financial Services Limited	-	111,935,093
		Edelweiss Alternative Asset Advisors Pte Limited	8,120,753	62,561
		Edelweiss International (Singapore) Pte Limited	345,387	-
	Investments in ordinary shares of	Edelweiss International (Singapore) Pte Limited	-	2,184,456,531
		Edelweiss Investment Advisors Private Limited	95,445,360	91,874,160
		Edelweiss Alternative Asset Advisors Pte Limited	489,422,596	471,110,276
	Investments in Class B shares of	Edelweiss Alternative Asset Advisors Pte Limited	5,037	4,849
	Unsecured loans given to	Edelweiss International (Singapore) Pte Limited	-	41,109,698
	Interest accrued but not due on loans given to	Edelweiss International (Singapore) Pte Limited	-	122,648
(IV)	Others			
	Corporate guarantee given on behalf of	Edelweiss International (Singapore) Pte Limited	-	345,982,774

Note:

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



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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

24. Contingent liabilities and commitments

24.1 Legal claims

There are no legal claim outstanding against the company as at 31 March 2020 (2019: Nil)

24.2 Operating lease commitments

The company has Rs. Nil (2019: Rs Nil) operating lease commitments as at the balance sheet date.

24.3 Contingent liabilities

The company has Rs. Nil (2019: Rs Nil) contingent liabilities as at the balance sheet date.

25. 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 not subject to any externally imposed capital requirements

26. Fair values of measurements

No disclosure in terms of fair value hierarchy has been provided since the fair value of the financial assets and liabilities is approximately their carrying values.



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A circular stamp of Edelweiss Capital (Singapore) Pte Limited. The text "Edelweiss Capital (Singapore) Pte Limited" is around the perimeter, and there is a star in the center.

Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

27. Risk Management

27.1 Introduction and risk management framework

The Company's investing activities exposes it to various types of risks that are associated with the financial instruments and markets it invests in. The significant risks to which the Company is exposed to is market risk, credit risk, liquidity risk and operation risk.

27.2 Analysis of risk concentration

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 regulated and reputed financial institutions. Loans comprise of loans given to group companies.

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

Industry analysis - Risk concentration

Particulars	Financial services	
	As at March 31, 2020	As at March 31, 2019
Financial assets		
Cash and cash equivalent	8,255,949	20,433,615
Loans	-	41,232,346
Investments	584,872,993	2,747,445,816
Total	593,128,942	2,809,111,777



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27.3 Liquidity and risk 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 summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments.

27.3.1 Analysis of non-derivative financial liabilities by remaining contractual maturities

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

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 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Trade payables	-	-	-	-	-	-	-	-	-	653,112
Borrowings (other than debt securities)	562,754,391	-	-	-	-	-	-	-	-	562,754,391
Total undiscounted non-derivative financial liabilities	562,754,391	-	-	-	-	-	-	-	-	563,407,503

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 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Trade payables	-	-	-	-	-	-	-	-	-	1,024,000
Borrowings (other than debt securities)	623,797,054	-	-	-	-	-	-	-	-	2,708,792,351
Total undiscounted non-derivative financial liabilities	623,797,054	-	-	-	-	-	-	-	-	2,709,816,351

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

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

As at 31 March 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Cash and cash equivalent	8,255,949	-	-	-	-	-	-	-	-	8,255,949
Loans	-	-	-	-	-	-	-	-	-	-
Total	8,255,949	-	-	-	-	-	-	-	-	8,255,949

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 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Cash and cash equivalent	20,433,615	-	-	-	-	-	-	-	-	20,433,615
Loans	41,232,346	-	-	-	-	-	-	-	-	41,232,346
Total	61,665,961	-	-	-	-	-	-	-	-	61,665,961



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Edelweiss Capital (Singapore) Pte. Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

27.3.3 Financial assets available to support future funding

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

Particulars	31 March 2020				
	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Others (1)	Available as collateral	Others (2)	
Cash and cash equivalent	-	-	-	8,255,949	8,255,949
Loans	-	-	-	-	-
Investments	-	-	-	584,872,993	584,872,993
Total assets	-	-	-	593,128,942	593,128,942

Particulars	31 March 2019				
	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Others (1)	Available as collateral	Others (2)	
Cash and cash equivalent	-	-	-	20,433,615	20,433,615
Loans	-	-	-	41,232,346	41,232,346
Investments	-	-	2,747,445,816	-	2,747,445,816
Total assets	-	-	2,747,445,816	61,665,961	2,809,111,777

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

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



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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

27.4 Market risk

Market risk is 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.

Particulars	31 March 2020			31 March 2019		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent	8,255,949	-	8,255,949	20,433,615	-	20,433,615
Loans	-	-	-	41,232,346	-	41,232,346
Total	8,255,949	-	8,255,949	61,665,961	-	61,665,961
Liability						
Borrowings (other than Debt Securities)	562,754,391	-	562,754,391	2,708,792,351	-	2,708,792,351
Trade payables	653,112	-	653,112	1,024,000	-	1,024,000
Total	563,407,503	-	563,407,503	2,709,816,351	-	2,709,816,351

27.4.1 Interest rate risk

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

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

Currency of borrowing / advances	2019-20					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
United States Dollars	25	-	-	25	-	-

Currency of borrowing / advances	2018-19					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
United States Dollars	25	(5,089,363)	-	25	5,089,363	-

27.4.2 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

The Company borrows and grants loans to subsidiaries and others in United States Dollars. Consequently, it is exposed to foreign currency

Currency	2019-20					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
United States Dollars	5	(27,732,044)	-	5	27,732,044	-

Currency	2018-19					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
United States Dollars	5	(133,301,290)	-	5	133,301,290	-



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Edelweiss Capital (Singapore) Pte Limited

Notes to the financial statements (continued)

(Currency : Indian rupees)

28. Events after reporting date

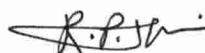
A) Subsequent to the year end, the Company has sold all its investments in subsidiaries and repaid its borrowings.

B) As at 31 March, 2020, the Company is solvent and liquid. The Company has sufficient assets to cover its liabilities, including liquidation costs of the Company. If further finding is required, the Holding Company shall settle any additional liabilities during liquidation phase.

As per our report of even date attached.

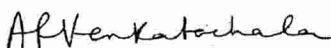
For NGS & Co. LLP
Chartered Accountants
Firm Registration no.:119850W

For and on behalf of the Board of Directors



R. P. Soni
Partner
Membership no.:104796

Mumbai
June 26, 2020



Venkatchalam Ramaswamy
Director

June 26, 2020



Ashish Pithawala
Director

June 26, 2020

