

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **Edelweiss International (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 International (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 profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

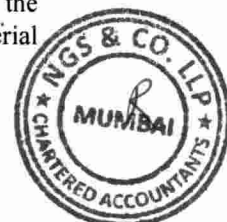
We conducted our audit of the Special Purpose Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Special Purpose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

#### **Other Information**

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

#### **Responsibility of Management for the Special Purpose Financial Statements**

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



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

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

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

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

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

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

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

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: 20104796AAABAX3922

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 International (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: 20104796AAABAX3922

Place : Mumbai  
Date : June 26, 2020

**Edelweiss International (Singapore) Pte Limited**  
**Financial Statements for the year ended 31 March 2020**

# Edelweiss International (Singapore) Pte Limited

## Balance Sheet

(Currency : Indian rupees)

	Note	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7	397,905,213	433,570,769
Derivative financial instruments	8	462,612,922	169,251,987
Trade receivables	9	4,490,700	29,444,652
Stock in trade	10	1,061,963,477	420,791,209
Loans	11	36,996,627	-
Investments	12	246,200,895	137,842,639
Other financial assets	13	495,043,250	550,149,393
		<u>2,705,213,084</u>	<u>1,741,050,649</u>
<b>Non-financial assets</b>			
Deferred tax assets (net)	14	5,075,511	4,123,576
Property, plant and equipment	15	37,836,861	5,675,579
Other intangible assets	16	26,390	121,729
Other non- financial assets	17	2,458,462	7,800,379
		<u>45,397,224</u>	<u>17,721,263</u>
<b>Total assets</b>		<u>2,750,610,308</u>	<u>1,758,771,912</u>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Financial liabilities</b>			
Trade payables			
Other payables		13,586,411	17,650,045
Borrowings (other than debt securities)	18	-	41,216,987
Other financial liabilities	19	1,156,074,551	334,578,695
		<u>1,169,660,962</u>	<u>393,445,727</u>
<b>Non-financial liabilities</b>			
Provisions	20	1,713,058	1,954,328
Other non-financial liabilities	21	230,584	1,066,363
		<u>1,943,642</u>	<u>3,020,691</u>
<b>Equity</b>			
Equity share capital	22	2,063,307,500	2,063,307,500
Other equity		(484,301,796)	(701,002,006)
		<u>1,579,005,704</u>	<u>1,362,305,494</u>
<b>Total liabilities and equity</b>		<u>2,750,610,308</u>	<u>1,758,771,912</u>

Significant accounting policies and notes to the financial statements

1 to 41

As per our report of even date attached.

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

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



For and on behalf of the Board of Directors

*Ashish Daima*  
Ashish Daima  
Director

26 June 2020

*Sagar Anand*  
Sagar Anand  
Director

26 June 2020



# Edelweiss International (Singapore) Pte Limited

## Statement of Profit and Loss

(Currency : Indian rupees)

	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Revenue from operations</b>			
Interest income	23	37,748,512	32,484,272
Dividend income		-	(1,161,034)
Net gain on fair value changes	24	323,851,526	741,934
<b>Other income</b>	25	26,661,592	37,372,407
<b>Total income</b>		<b>388,261,630</b>	<b>69,437,579</b>
<b>Expenses</b>			
Finance costs	26	39,397,511	60,525,140
Impairment on financial instruments	28	1,909,378	-
Employee benefits expense	27	66,597,269	129,588,216
Depreciation and amortization expenses	15 & 16	22,971,982	12,171,309
Other expenses	29	173,613,506	213,731,603
<b>Total expenses</b>		<b>304,489,646</b>	<b>416,016,268</b>
<b>Profit / (loss) before tax</b>		<b>83,771,984</b>	<b>(346,578,689)</b>
Tax expenses	30	(546,695)	159,138,342
<b>Profit / (loss) for the year</b>		<b>84,318,679</b>	<b>(505,717,031)</b>
<b>Other comprehensive income</b>			
(A) Items that will not be reclassified to profit or loss			
Remeasurement gain on defined benefit plans		264,899	3,292,247
<b>Total (A)</b>		<b>264,899</b>	<b>3,292,247</b>
(B) Items that will be reclassified to profit or loss			
Net gain/(loss) on debt instruments measured FVOCI		4,704,600	12,917,151
Foreign exchange translation reserve		128,017,463	115,503,873
<b>Total (B)</b>		<b>132,722,063</b>	<b>128,421,024</b>
<b>Other comprehensive income (A+B)</b>		<b>132,986,962</b>	<b>131,713,271</b>
<b>Total comprehensive income</b>		<b>217,305,641</b>	<b>(374,003,760)</b>
Earnings per equity share (Face value of SGD 1 each):			
Basic & Diluted	31	1.97	(11.82)

Significant accounting policies and notes to the financial statements

I to 41

As per our report of even date attached.

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

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



For and on behalf of the Board of Directors

Ashish Daima  
Director  
26 June 2020

Sagar Anand  
Director  
26 June 2020



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# Edelweiss International (Singapore) Pte. Limited

## Cash Flow Statement

(Currency: Indian Rupees)

	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A Cash flow from operating activities</b>		
Profit/ (Loss) before taxation	83,771,984	(346,578,689)
Adjustments for		
Depreciation	22,971,981	12,171,309
Provision for compensated absences	(277,988)	160,898
Provision for gratuity	385,866	380,607
Impairment on financial instruments	1,909,412	-
Net (profit)/ loss on FVOCI debt instrument	(1,173,970)	10,340,957
Interest income in respect of investing activity	(4,142,740)	(7,590,239)
Interest income on loans given	(2,598,711)	(95,621)
Interest expense on borrowings (other than debt securities)	5,691,661	32,917,847
Expense on Employee Stock Option Scheme (ESOP)	5,174	(4,302,344)
<b>Operating cash flow before working capital changes</b>	<b>106,542,669</b>	<b>(302,595,275)</b>
Add/ (Less): Adjustments for working capital changes		
Decrease in financial assets	153,355,277	1,034,400,437
(Increase)/ decrease in derivative financial instruments	(318,506,218)	58,962,938
Decrease in other non-financial assets	5,681,455	2,657,288
(Increase) in Stock in trade	(567,295,613)	(162,096,102)
Decrease / (increase) in trade receivables	25,949,419	(23,713,675)
(Decrease) in trade payables	(5,316,943)	(5,706,171)
Increase / (decrease) in other financial liabilities	708,958,618	(609,940,733)
(Decrease)/ increase in other non-financial liabilities	(1,110,852)	96,331
<b>Cash generated from / (used in) operations</b>	<b>108,257,812</b>	<b>(7,934,962)</b>
Income taxes (paid)	-	(354,089)
<b>Net cash generated from / (used in) operating activities - A</b>	<b>108,257,812</b>	<b>(8,289,051)</b>
<b>B Cash flow from investing activities</b>		
Purchase of fixed assets	(360,166)	(2,955,941)
Purchase of FVOCI debt instrument	(240,768,626)	(657,541,360)
Proceeds from sale of FVOCI debt instrument	156,943,411	1,740,539,776
Interest received on investments measured at FVOCI debt instrument	3,610,165	10,181,739
Interest received on loans given	2,273,659	95,621
Loans given	(34,459,778)	-
<b>Net cash (used in) / generated from investing activities - B</b>	<b>(112,761,335)</b>	<b>1,090,319,835</b>
<b>C Cash flow from financing activities</b>		
Repayment of borrowings (other than debt securities) (Refer note 1 below)	(42,107,642)	(942,555,982)
Principal repayment of leases (Ind AS 116) - Non-Group	(17,728,604)	-
Interest paid on lease	(5,050,985)	-
Interest paid on short term borrowings (other than debt securities)	(767,633)	(38,711,914)
<b>Net cash used in financing activities - C</b>	<b>(65,654,864)</b>	<b>(981,247,896)</b>
<b>D Foreign exchange translation reserve - D</b>	<b>34,492,831</b>	<b>103,445,893</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C+D)</b>	<b>(35,665,556)</b>	<b>204,228,781</b>
Cash and cash equivalent as at the beginning of the year	433,570,769	229,341,988
Cash and cash equivalent as at the end of the year	397,905,213	433,570,769

### Note:

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

As per our report of even date attached.

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

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



For and on behalf of the Board of Directors

*Ashish Daima*  
Ashish Daima  
Director

26 June 2020

*Sagar Anand*  
Sagar Anand  
Director

26 June 2020



Edelweiss International (Singapore) Pte Limited

Statement of changes in equity

(Currency : Indian rupees)

Equity share capital

At 1 April 2018	Changes in equity share capital	At 31 March 2019	Changes in equity share capital	At 31 March 2020
2,063,307,500	-	2,063,307,500	-	2,063,307,500

Other Equity

	Reserves and surplus		Other comprehensive income		Total
	Retained earnings	Stock options reserve	Debt instruments through Other Comprehensive Income	Foreign exchange translation reserve	
Balance at 1 April 2018 (Ind AS)	(317,398,230)	4,917,344	(13,068,262)	2,853,246	(322,695,902)
Profit or loss for the year	(505,717,031)	-	-	-	(505,717,031)
Other comprehensive income	3,292,247	(4,302,344)	12,917,151	115,503,873	127,410,927
Total Comprehensive Income for the year	(502,424,784)	(4,302,344)	12,917,151	115,503,873	(378,306,104)
Balance at 31 March 2019 (Ind AS)	(819,823,014)	615,000	(151,111)	118,357,119	(701,002,006)
Ind AS adjustments	(605,431)	-	-	-	(605,431)
Profit or loss for the year	84,318,679	-	-	-	84,318,679
Other comprehensive income	264,899	-	4,704,600	128,017,463	132,986,962
Total Comprehensive Income for the year	84,583,578	-	4,704,600	128,017,463	217,305,641
Balance at 31 March 2020 (Ind AS)	(735,844,867)	615,000	4,553,489	246,374,582	(484,301,796)

Nature and purpose of reserve

1. Debt instruments through Other Comprehensive Income

The Company recognises changes in the fair value of debt instruments held with business objective of collect and sell in other comprehensive income. These changes are accumulated within the FVOCI debt investments reserve within equity. The Company transfers amounts from this reserve to the statement of profit and loss when the debt instrument is sold.

2. Share option reserve

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

3. Foreign Exchange Translation Reserve

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

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  
26 June 2020

Ashish Daima  
Director

26 June 2020

Sagar Anand  
Director

26 June 2020





# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 1. Background

Edelweiss International (Singapore) Pte. Limited (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 activities of the Company is to undertake trading and investment activities.

The Company was a wholly owned subsidiary of Edelweiss Capital (Singapore) Pte. Ltd., a Company incorporated in Singapore, till 25 March 2020. During the current financial year, the company has become a wholly owned subsidiary of Edel Investment Limited, a Company incorporated in India. The ultimate holding company remains Edelweiss Financial Services Limited, which is incorporated in India and listed on the Indian Stock Exchange.

The Company has formed a Branch in United Arab Emirates (UAE) on 12 September 2017. The Branch is registered with the Dubai Multi Commodities Centre Authority (DMCCA) and is located at AG-14K, AG Tower, Plot No: JLT-PH1-11A, Jumeirah Lakes Towers, Dubai, United Arab Emirates. The principal activity of the Branch is to undertake proprietary trading on regulated exchanges (DMCC).

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

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

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

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

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



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 2. Basis of preparation of financial statements and Functional Currency (continued)

### 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.

## 3. Presentation of financial statements

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 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 34.

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

Derivative assets and liabilities with master netting arrangements (e.g. ISDAs) are only presented net when they satisfy the eligibility of netting for all of the above criteria and not just in the event of default.



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

### 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).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk. The adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Company calculates interest income by applying the effective interest rate to the amortised cost (net of expected credit loss) of the financial asset. If the financial assets cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

For purchased or originated credit-impaired (POCI) financial assets, the Company calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI assets.

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.



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.2 Financial Instruments

#### 4.2.1 Date of recognition

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

#### 4.2.2 Initial measurement of financial instruments

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

#### 4.2.3 Day 1 profit or loss

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

### 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]



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.3 Financial Instruments (continued)

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.



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# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

### 4. Significant accounting policies (continued)

#### 4.3 Financial Instruments (continued)

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

##### 4.3.1.2 Financial assets held for trading

The Company classifies financial assets as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there evidence of a recent pattern of short-term profit is taking. Held-for-trading assets and liabilities are recorded and measured in the balance sheet at fair value. Financial assets designated at FVTPL, please refer note 4.3.2.2

##### 4.3.1.3 Investment in equity instruments

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 derivative financial liabilities.

##### 4.3.2.1 Debt securities and other borrowed funds

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

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

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





# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.3 Financial Instruments (continued)

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
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

#### 4.3.3 Financial liabilities and equity instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by 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.



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# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

### 4. Significant accounting policies (continued)

#### 4.3 Financial Instruments (continued)

##### 4.3.4 Derivatives

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and interest rate swaps.

Company has designed a risk strategy based to cover exposure on issuance of Nifty Linked Debentures, by entering into a derivative contracts either to minimize the loss or to earn a minimum committed income by entering into a combination of derivative contracts (say for example purchased call and put options) with a wide range of strike prices. Above strategy has been approved by the risk committee and ensures that risk is fully or partially covered, hence supports to reduce the risk exposure.

Derivatives are initially recognised at fair value and are subsequently re-measured at fair value through profit or loss. The resulting gain or loss is recognised in profit or loss immediately.

#### 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.



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.5 Derecognition of financial assets and financial liabilities

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

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

#### 4.5.3 Derecognition of financial liabilities

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

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



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# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 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 and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables 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. However, if receivables contain a significant financing component, the Company chooses as its accounting policy to measure the loss allowance by applying general approach to measure ECL.

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

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 (EAD), 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 International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.6 Impairment of financial assets (continued)

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

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

### 4.7 Write off

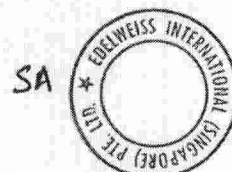
Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery.

### 4.8 Determination of fair value

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

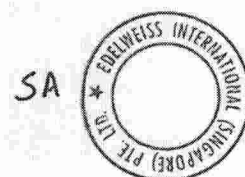
### 4.8 Determination of fair value (continued)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic 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 at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments—Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

Therefore, the Company applies various techniques to estimate the credit risk associated with its financial instruments measured at fair value, which include a portfolio-based approach that estimates the expected net exposure per counterparty over the full lifetime of the individual assets, in order to reflect the credit risk of the individual counterparties for non-collateralised financial instruments.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary based on the facts at the end of the reporting period.





# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.9 Operating leases

Accounting policy applicable from 1 April 2019

As described in Note 36.2, the Company has applied Ind AS 116 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under Ind AS 17.

Company as a lessee:

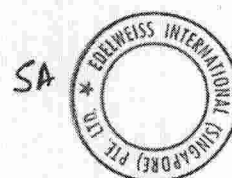
For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To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

Measurement and recognition

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or at the incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.9 Operating leases (continued)

#### Short term lease

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

In the comparative period, as a lessee the Company classified leases that transfer substantially all the risk and reward of ownership as finance leases. Assets held under other leases are classified as operating lease and were not recognised in Company Balance sheet. Payments made under operating lease are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, in which case lease payments are recognised based on contractual terms. Contingent rental payable is recognised as an expense in the period in which it is incurred

#### Company as lessor:

The Company's accounting policy under Ind AS 116 has not changed from the comparative period. As a lessor the Company classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

### 4.10 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.



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

### 4. Significant accounting policies (continued)

#### 4.11 Foreign currency transactions

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

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

#### 4.12 Retirement and other employee benefit

The accounting policy followed by the company in respect of its employee benefit schemes in accordance with Accounting Standard is set out below:

##### *Gratuity*

The employees based out of U.A.E are eligible for end of service benefits in accordance with the U.A.E Labour Laws. The provision for end of service benefits is done based on current remuneration and periods of service at the end of the reporting period.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

##### *Compensated Absences*

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



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# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.13 Share-based payment arrangements

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

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

### 4.14 Property, plant and equipment and right – of – use assets

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

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

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

The estimated useful lives of the fixed assets are as follows:

Renovation	1 – 2 years (Over the period of lease)
Computer	1 – 3 years
Computer software	3 years
Office equipment	3 years
Furniture and Fixtures	3 years

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# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.14 Property, plant and equipment and right – of – use assets (continued)

Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to the accounting policy 4.9. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

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

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

### 4.15 Intangible assets

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

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

### 4.16 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.



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# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.17 Cash and cash equivalents

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

### 4.18 Provisions and other contingent liabilities

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

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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

### 4.19 Income tax expenses

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

#### 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.





# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 4. Significant accounting policies (continued)

### 4.19 Income tax expenses (continued)

#### 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.

#### 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.



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 5. Critical accounting judgements and key sources of estimation uncertainty

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

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

### 5.1 Critical judgements in applying accounting policies

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

#### 5.1.1. Business model assessment

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

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

#### 5.1.2. Determining lease term for lease contracts with renewal and termination option

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

## 5. Critical accounting judgements and key sources of estimation uncertainty

### 5.1 Critical judgements in applying accounting policies (continued)

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain, whether or not, to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation of the leased asset).

### 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.



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

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

### 5.2 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 Company's EIR methodology, as explained in Note 4.3.1.1, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

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

### 5.2 Key sources of estimation uncertainty (continued)

#### 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.

#### 5.2.5 Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## 6. Standards issued but not yet effective

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



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## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

#### 7. Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Cash in hand	13,060	-
Balances with banks		
- in current accounts	397,892,153	433,570,769
<b>Total</b>	<b>397,905,213</b>	<b>433,570,769</b>





Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

8. Derivative Financial Instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

31 March 2020						
Particulars	Unit	Notional amount	Fair value of asset	Unit	Notional amount	Fair value of liability
<b>(i) Currency derivatives</b>						
-Spot and forwards	Number of currency units	3,439,607	25,250	Number of currency units	10,184,303	216,138,427
-Currency Futures	-	-	-	Number of contracts	250,000	247,360
-Options purchased	Number of units	282,500,000	460,180,501	-	-	-
-Options sold (written)	-	-	-	Number of units	287,000,000	525,010,887
Less: amounts offset (refer offsetting disclosure)	-	-	(25,250)	-	-	(741,396,674)
Subtotal (i)	-	-	460,180,501	-	-	-
<b>(ii) Equity linked derivatives</b>						
-Interest Rate Swaps	-	-	-	Number of units	145,550	238,303
Less: amounts offset (refer offsetting disclosure)	-	-	-	-	-	(238,303)
Subtotal (ii)	-	-	-	-	-	-
<b>(iii) Index linked derivatives</b>						
-Index Futures	-	-	183,942	Number of units	502,150	352,373
-Options purchased	Number of units	8,303,500	2,432,421	-	-	-
-Options sold (written)	-	-	-	Number of units	19,554,700	2,780,629
Less: amounts offset (refer offsetting disclosure)	-	-	(183,942)	-	-	(3,133,002)
Subtotal (iii)	-	-	2,432,421	-	-	-
<b>Total Derivative Financial Instruments (i+ii+iii)</b>	-	-	462,612,922	-	-	-

31 March 2019						
Particulars	Unit	Notional amount	Fair value of asset	Unit	Notional amount	Fair value of liability
<b>(i) Currency derivatives</b>						
-Spot and forwards	Number of currency units	12,665,833	22,753,538	-	-	-
-Options purchased	Number of units	522,900,000	153,327,455	-	-	-
-Options sold (written)	-	-	-	Number of units	509,900,000	152,759,697
Less: amounts offset (refer offsetting disclosure)	-	-	(22,753,538)	-	-	(152,759,697)
Subtotal (i)	-	-	153,327,455	-	-	-
<b>(ii) Interest rate derivatives</b>						
-Forward Rate Agreements and Interest Rate Swaps	Number of units	500,000,000	906,352	-	-	-
Less: amounts offset (refer offsetting disclosure)	-	-	(906,352)	-	-	-
Subtotal (ii)	-	-	-	-	-	-
<b>(iii) Equity linked derivatives</b>						
-Options purchased	Number of units	1,500	546,827	-	-	-
-Options sold (written)	-	-	-	Number of units	9,300	9,925,747
-Swaps	-	-	-	Number of units	88,000	22,195,094
Less: amounts offset (refer offsetting disclosure)	-	-	-	-	-	(32,120,841)
Subtotal (iii)	-	-	546,827	-	-	-
<b>(iv) Index linked derivatives</b>						
-Index Futures	-	-	-	Number of units	499,860	582,285
-Options purchased	Number of units	8,003,100	15,377,705	-	-	-
-Options sold (written)	-	-	-	Number of units	8,004,510	26,844,196
Less: amounts offset (refer offsetting disclosure)	-	-	-	-	-	(27,426,481)
Subtotal (iv)	-	-	15,377,705	-	-	-
<b>(v) Other derivatives</b>						
- Variance swaps	-	-	-	Number of contracts	814	(8,579,145)
Less: amounts offset (refer offsetting disclosure)	-	-	-	-	-	8,579,145
Subtotal (v)	-	-	-	-	-	-
<b>Total Derivative Financial Instruments (i+ii+iii+iv+v)</b>	-	-	169,251,987	-	-	-

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## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

#### 8a. Offsetting

##### Financial assets subject to offsetting, netting arrangements

At 31 March 2020	Offsetting recognised in balance sheet		Net asset recognised in balance sheet
Particulars	Gross asset before offset	Amount Offset*	
Derivative financial assets	462,822,114	209,192	462,612,922

\* As at the reporting date 31-March-2020, the amount of cash margin received that has been offset against the gross derivative assets is Rs. 209,192

At 31 March 2019	Offsetting recognised in balance sheet		Net asset recognised in balance sheet
Particulars	Gross asset before offset	Amount Offset*	
Derivative financial assets	13,536,220,566	13,366,968,579	169,251,987

\* As at the reporting date 31-March-2019, the amount of cash margin received that has been offset against the gross derivative assets is Rs. 13,366,968,579

##### Financial liabilities subject to offsetting, netting arrangements

At 31 March 2020	Offsetting recognised in balance sheet		Net liability recognised in balance sheet
Particulars	Gross liability before offset	Amount Offset*	
Derivative financial liabilities	744,767,979	744,767,979	-

\* As at the reporting date 31-March-2020, the amount of cash margin received that has been offset against the gross derivative liability is Rs. 744,767,979

At 31 March 2019	Offsetting recognised in balance sheet		Net liability recognised in balance sheet
Particulars	Gross liability before offset	Amount Offset*	
Derivative financial liabilities	216,085,055	216,085,055	-

\* As at the reporting date 31-March-2019, the amount of cash margin received that has been offset against the gross derivative liability is Rs. 216,085,055



## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

### 9. Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Receivables considered good - Unsecured	4,490,700	29,444,652
	<b>4,490,700</b>	<b>29,444,652</b>
Less : Allowance for expected credit losses	-	-
<b>Total</b>	<b>4,490,700</b>	<b>29,444,652</b>

#### Provision matrix for Trade receivables

	Trade receivables days past due	Current	1-90 days	91-180 days	181-360 days	more than 360 days	Total
<b>ECL rate</b>							
<b>31 March 2020</b>	Estimated total gross carrying amount at default	4,490,700	-	-	-	-	4,490,700
	ECL - Simplified approach	-	-	-	-	-	-
	Net carrying amount	<b>4,490,700</b>	-	-	-	-	<b>4,490,700</b>
<b>31 March 2019</b>	Estimated total gross carrying amount at default	29,444,652	-	-	-	-	29,444,652
	ECL - Simplified approach	-	-	-	-	-	-
	Net carrying amount	<b>29,444,652</b>	-	-	-	-	<b>29,444,652</b>



# Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

## 10. Stock in trade

Particulars	As at 31 March 2020	As at 31 March 2019
<b>At fair value through profit or loss</b>		
Equity shares (quoted)	1,061,963,477	420,791,209
<b>Total (A)</b>	<b>1,061,963,477</b>	<b>420,791,209</b>
(i) Investments outside India	1,061,963,477	420,791,209
(ii) Investment in India	-	-
<b>Total (B)</b>	<b>1,061,963,477</b>	<b>420,791,209</b>
<b>Less: amounts offset (refer offsetting disclosure) (C)</b>	<b>-</b>	<b>-</b>
<b>Net (A-C)</b>	<b>1,061,963,477</b>	<b>420,791,209</b>

## 11. Loans

Particulars	At Amortised Cost As at 31 March 2020	As at 31 March 2019
<b>Unsecured loans</b>		
<b>Loans given to related parties, repayable on demand</b>		
Edelweiss Capital (Singapore) Pte. Ltd.	36,996,627	-
<b>Total (A) gross</b>	<b>36,996,627</b>	<b>-</b>
Less: Impairment loss allowance	-	-
<b>Total (A) net</b>	<b>36,996,627</b>	<b>-</b>
(i). Loans in India	-	-
(ii). Loans outside India	36,996,627	-
Less: Impairment loss allowance	-	-
<b>Total (B) net</b>	<b>36,996,627</b>	<b>-</b>

Loan to related party is unsecured and repayable on demand. It bears a fixed interest rate of 5.50% p.a. compounded monthly.



## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

#### 12. Investments

Particulars	At fair value through OCI	
	As at 31 March 2020	As at 31 March 2019
(i) Government Securities (Quoted)	246,200,895	137,842,639
<b>Total (A)</b>	<b>246,200,895</b>	<b>137,842,639</b>
(i) Investments outside India	246,200,895	137,842,639
(ii) Investment in India	-	-
<b>Total (B)</b>	<b>246,200,895</b>	<b>137,842,639</b>
<b>Less: Allowance for impairment (C)</b>	<b>-</b>	<b>-</b>
<b>Total Net (A-C)</b>	<b>246,200,895</b>	<b>137,842,639</b>

#### 12.1 Investments measured at FVOCI

##### Credit quality of assets

The table below shows the gross carrying amount of the Company's investments measured at FVOCI by credit risk, based on the Company's internal credit rating system and year-end stage classification. The amount presented are gross of impairment allowances.

Particulars	Gross carrying amount (Stage 1)	
	As at 31 March 2020	As at 31 March 2019
High grade	242,299,006	138,853,626
Standard grade	-	-
Individually impaired	-	-
<b>Total</b>	<b>242,299,006</b>	<b>138,853,626</b>

#### Reconciliation of gross carrying amount and corresponding ECL for investments measured at FVOCI

	As at 31 March 2020		As at 31 March 2019	
	Gross Carrying amount (Stage 1)	12 months ECL allowance (Stage 1)	Gross Carrying amount (Stage 1)	12 months ECL allowance (Stage 1)
Gross carrying amount - opening balance	138,853,625	-	1,233,828,745	-
New assets originated or purchased	240,768,643	-	657,541,360	-
Assets derecognised or matured (excluding write offs) (including gains / losses thereon)	(159,379,606)	-	(1,850,567,549)	-
Interest income during the period	4,142,739	-	7,590,282	-
Foreign exchange	17,913,605	-	90,460,788	-
<b>Gross carrying amount - closing balance</b>	<b>242,299,006</b>	<b>-</b>	<b>138,853,626</b>	<b>-</b>

These amounts represent Gross carrying amounts before ECL allowance (i.e. cost plus interest accrued). These investments are presented at fair value in the balance sheet. Difference between amount presented in the balance sheet and above table is the fair value which is INR 3.9 million as on March 31, 2020 (As on March 31, 2019 the amount is INR (1.01) million)



## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

#### 13. Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good)		
Security deposits	41,054	37,670
Rental deposits	5,819,199	5,901,354
Deposits- others	387,844	412,377
Margin placed with broker	488,791,399	543,797,992
Advance recoverable in cash or in kind or for value to be received (FA)	3,754	-
<b>Total</b>	<b>495,043,250</b>	<b>550,149,393</b>

#### 14. Deferred tax assets

Particulars	As at 31 March 2020	As at 31 March 2019
Property, Plant and Equipment and Intangible assets	4,549,505	3,967,447
Others	526,006	156,129
<b>Total</b>	<b>5,075,511</b>	<b>4,123,576</b>





## 15. Property, plant and equipment

Description of Assets	As at 1 April 2019	Transition impact of Ind AS 116	Additions	Deductions/ Adjustments/ As at 31 March 2020	As at 1 April 2019	Transition impact of Ind AS 116	For the year	Deductions/ Adjustments/ Revaluation adjustment, if any	As at 31 March 2020	Net Block
Office equipment	3,962,447	-	-	356,078	4,318,525	3,093,115	426,397	-	3,824,583	493,942
Leasehold improvements	8,653,883	-	-	777,479	9,431,362	8,653,883	-	-	9,431,362	-
ROU Asset	-	-	-	-	-	-	-	-	20,138,739	34,800,984
Computers	13,036,678	-	-	1,171,182	14,590,911	8,478,339	2,765,122	-	12,181,080	2,409,831
Furniture and Fixtures	2,571,512	-	-	231,063	2,802,575	2,323,604	129,850	-	2,670,471	132,104
Total	28,224,520	52,718,750	383,051	4,756,775	86,083,096	22,548,941	22,871,957	2,825,337	48,246,235	37,836,861

Description of assets	As at 1 April 2018	Additions	Deductions/ Adjustments/ As at 31 March 2019	Gross block			Depreciation			Net block
				As at 31 March 2019	1 April 2018	For the year	Deductions/ Adjustments/ As at 31 March 2019	As at 31 March 2019	As at 31 March 2019	
Office equipment	3,347,107	407,146	208,194	3,962,447	1,426,087	1,590,057	76,971	3,093,115	869,332	
Leasehold improvements	8,137,522	-	516,361	8,653,883	4,206,260	4,224,171	223,452	8,653,883	-	
Computers	9,931,620	2,500,584	604,474	13,036,678	3,420,829	4,883,168	174,942	8,478,339	4,558,339	
Furniture and Fixtures	2,418,103	-	153,409	2,571,512	1,097,957	1,166,029	59,618	2,523,604	247,908	
Total	23,834,352	2,907,730	1,482,438	28,224,520	10,151,133	11,863,425	534,383	22,548,941	5,675,579	

## 16. Other intangible assets

Description of Assets	As at 1 April 2019	Additions	Deductions/ Adjustments/ As at 31 March 2020	As at 1 April 2019	For the year	Deductions/ Adjustments/ As at 31 March 2020	As at 31 March 2020	Net Block
Software	1,164,013	-	86,372	1,250,385	1,042,284	100,025	81,686	26,390
Total	1,164,013	-	86,372	1,250,385	1,042,284	100,025	81,686	26,390

Description of assets	As at 1 April 2018	Additions	Deductions/ Adjustments/ As at 31 March 2019	As at 1 April 2018	For the year	Deductions/ Adjustments/ As at 31 March 2019	As at 31 March 2019	Net Block
Software	1,049,685	48,211	66,117	1,164,013	693,554	307,884	40,846	121,729
Total	1,049,685	48,211	66,117	1,164,013	693,554	307,884	40,846	121,729



Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

**17. Other non-financial assets**

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured Considered good, unless stated otherwise)		
Input tax credit	206,416	-
Prepaid expenses	1,370,614	1,621,111
Vendor Advances	881,432	3,784,166
Advances recoverable in cash or in kind or for value to be received	-	2,369,445
Others	-	25,657
<b>Total</b>	<b>2,458,462</b>	<b>7,800,379</b>

**18. Borrowings (other than debt securities)**

Particulars	At Amortised cost	
	As at 31 March 2020	As at 31 March 2019
<b>Unsecured</b>		
Loans from related parties		
Edelweiss Capital (Singapore) Pte Limited	-	41,216,987
<b>Total (B)</b>	<b>-</b>	<b>41,216,987</b>
<b>Total (A+B)</b>	<b>-</b>	<b>41,216,987</b>
(i) Borrowings outside India	-	41,216,987
(ii) Borrowings in India	-	-
<b>Total (C)</b>	<b>-</b>	<b>41,216,987</b>

**Loans from related parties**

Loan from Edelweiss Capital (Singapore) Pte Limited is unsecured and repayable on demand. It bears interest at the average borrowing rate of the Company plus a mark-up of 0.50 percent.



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## Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian Rupees)

#### 19. Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Other payables	9,242	-
Accrued salaries and benefits	-	24,592,165
Payable to brokers	-	27,030,287
Provision for short sale	1,118,666,641	282,956,243
Lease Liability	37,398,668	-
<b>Total</b>	<b>1,156,074,551</b>	<b>334,578,695</b>

#### 20. Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for employee benefits		
Gratuity	453,580	527,378
Compensated leave absences	1,259,478	1,426,950
<b>Total</b>	<b>1,713,058</b>	<b>1,954,328</b>

#### 21. Other non-financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Withholding taxes and other taxes payable	230,584	1,066,363
<b>Total</b>	<b>230,584</b>	<b>1,066,363</b>



## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

#### 22. Equity share capital

##### a) Issued, subscribed and paid up:

Particulars	As at	
	31 March 2020	31 March 2019
42,797,907 (Previous year: 42,797,907) ordinary shares of SGD 1 each, fully paid-up	2,063,307,500	2,063,307,500
	<b>2,063,307,500</b>	<b>2,063,307,500</b>

(The entire share capital is held by Edel Investments Limited.)

##### b) Movement in share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	42,797,907	2,063,307,500	42,797,907	2,063,307,500
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<b>42,797,907</b>	<b>2,063,307,500</b>	<b>42,797,907</b>	<b>2,063,307,500</b>

##### c) Terms/rights attached to equity shares

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

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.



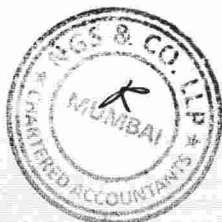
## Edelweiss International (Singapore) Pte Limited

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

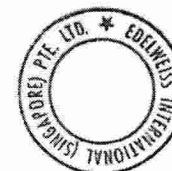
(Currency : Indian rupees)

### 23. Interest income

Particulars	For the year ended 31 March 2020			For the year ended 31 March 2019		
	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total	On Financial Assets measured at fair value through OCI	On Financial Assets measured at Amortised Cost	Total
Interest on loans given	-	2,598,735	2,598,735	-	95,621	95,621
Interest income from investments in FVOCI debt instrument	4,142,739	-	4,142,739	7,590,239	-	7,590,239
Other interest income	-	31,007,038	31,007,038	-	24,798,412	24,798,412
<b>Total</b>	<b>4,142,739</b>	<b>33,605,773</b>	<b>37,748,512</b>	<b>7,590,239</b>	<b>24,894,033</b>	<b>32,484,272</b>



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# Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

### 24. Net gain on fair value changes

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>(A) Net gain /(loss) on financial instruments at fair value through profit or loss</b>		
On trading portfolio		
-Equity Instruments at FVTPL	(21,582,215)	(107,742,149)
-Derivative gain / (loss) financial instruments at FVPTL	344,259,806	118,825,040
<b>(B) Others</b>		
Gain/(loss) on sale of debt FVOCI instruments	1,173,935	(10,340,957)
<b>Total Net gain/(loss) on fair value changes (A+B)</b>	<b>323,851,526</b>	<b>741,934</b>
<b>Fair Value changes:</b>		
Below table gives break up of total net gain/(loss) on fair value changes :-		
Realised	277,485,335	(48,505,416)
Unrealised	46,366,191	49,247,350
<b>Total Net gain/(loss) on fair value changes</b>	<b>323,851,526</b>	<b>741,934</b>

### 25. Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Miscellaneous income	26,661,592	37,372,407
<b>Total</b>	<b>26,661,592</b>	<b>37,372,407</b>

### 26. Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>On financial liabilities measured at amortised cost</b>		
Borrowings (other than debt securities)	640,674	32,917,847
Interest expense - margin with brokers	31,769,415	23,122,489
Interest expense - lease liability	5,051,015	-
Interest expense - others	1,936,407	4,484,804
<b>Total</b>	<b>39,397,511</b>	<b>60,525,140</b>





## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

#### 27. Employee cost

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries wages and Bonus	63,450,079	127,168,343
Contribution to provident and other funds	873,777	1,678,101
Expense on employee stock option scheme	5,160	(4,302,344)
Staff welfare expenses	2,268,253	5,044,116
<b>Total</b>	<b>66,597,269</b>	<b>129,588,216</b>

The Ultimate Holding Company (Edelweiss Financial Services Limited ("EFSL")) has Employee Stock Option Plans in force. Based on such ESOP schemes, parent entity has granted an ESOP option to acquire equity shares of EFSL that would vest in a graded manner to company's employees. Based on group policy / arrangement, EFSL has charged the fair value of such stock options, Company has accepted such cross charge and recognised the same under the employee cost.

#### 28. Impairment on financial instruments

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>On Financial instruments measured at Amortised Cost</b>		
Others	1,909,378	-
<b>Total</b>	<b>1,909,378</b>	<b>-</b>

#### 29. Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Auditors' remuneration (refer note below)	2,133,241	1,747,588
Commission and brokerage	111,386,299	79,044,086
Communication	1,979,389	2,419,911
Computer expenses	8,676,842	24,347,387
Electricity charges	482,289	1,109,720
Foreign exchange loss (net)	1,299,059	3,699,677
Insurance	70,252	69,270
Legal and professional fees	10,570,106	18,120,575
Membership and subscription	561,822	1,045,194
Office expenses	398,810	6,198,503
Postage and courier	222,679	449,619
Printing and stationery	30,331	20,801
Rates and taxes	1,744,846	8,839,445
Rent	171,654	13,821,043
Repairs and maintenance	928,872	813,081
ROC expenses	743,502	386,030
Seminar & Conference	56,548	-
Market data services	31,062,871	49,192,345
Travelling and conveyance	1,094,094	2,407,158
Miscellaneous expenses	-	170
<b>Total</b>	<b>173,613,506</b>	<b>213,731,603</b>

#### Auditors' remuneration:

As Auditors	2,020,118	1,747,588
Towards reimbursement of expenses	113,123	-
	<b>2,133,241</b>	<b>1,747,588</b>



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## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

#### 30. Income tax disclosures

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	354,089
Deferred tax relating to origination and reversal of temporary differences	(546,695)	(5,938,522)
Deferred tax recognised on unused tax credit or unused tax losses	-	-
Deferred tax reversed on unused tax credit or unused tax losses	-	164,722,775
<b>Total tax charge</b>	<b>(546,695)</b>	<b>159,138,342</b>
Current tax	-	354,089
Deferred tax	(546,695)	158,784,253

#### 30.1 Reconciliation of the total tax charge

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Accounting profit before tax as per financial statements	83,771,984	(346,578,689)
Tax rate (in percentage)	17%	17%
Income tax expense calculated based on this tax rate	14,241,237	(58,918,377)
Adjustment in respect of current income tax of prior years	-	354,089
Effect of income not subject to tax:		
Others - Penalties	(24,894)	-
Effect of non-deductible expenses:		
Penalties	-	244,097
Others	132,086	2,210,695
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised OR deferred tax assets on losses earlier recognised now considered not recoverable	(14,895,124)	215,247,838
<b>Tax expense reported in statement of profit and loss</b>	<b>(546,695)</b>	<b>159,138,342</b>



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# Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

### 30. Income tax disclosures (continued)

#### 30.2 Deferred tax

The following table shows deferred tax recorded in the balance sheet and changes recorded in the Income tax expense:

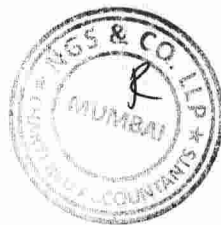
Particulars	As at 1 April 2019	Movement for the year (2019-20)			As at 31 March 2020
		Recognised in profit or loss	Others (foreign exchange movement)	Total movement	
Deferred taxes in relation to:					
Property, Plant and Equipment	3,967,447	212,114	369,944	582,058	4,549,505
Disallowances under section 15 of Singapore Tax Act	156,129	334,581	35,296	369,877	526,006
<b>Total</b>	<b>4,123,576</b>	<b>546,695</b>	<b>405,240</b>	<b>951,935</b>	<b>5,075,511</b>

Particulars	As at 1 April 2018	Movement for the year (2018-19)			As at 31 March 2019
		Recognised in profit or loss	Others (foreign exchange movement)	Total movement	
Deferred taxes in relation to:					
Property, Plant and Equipment	(1,795,590)	5,937,963	(174,926)	5,763,037	3,967,447
Unused tax losses	153,303,987	(164,722,775)	11,418,788	(153,303,987)	-
Disallowances under section 15 of Singapore Tax Act	146,280	559	9,290	9,849	156,129
<b>Total</b>	<b>151,654,677</b>	<b>(158,784,253)</b>	<b>11,253,152</b>	<b>(147,531,101)</b>	<b>4,123,576</b>

Break-up of recognition of current tax	For the year ended 31 March 2020	For the year ended 31 March 2019
In Profit or loss for the year	-	354,089
In Other comprehensive income	-	-
Directly in equity	-	-
<b>Total</b>	<b>-</b>	<b>354,089</b>

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

Financial year to which the loss relates to	Unused tax losses			
	As at 31 March 2020		As at 31 March 2019	
	Amount	Expiry year - financial year	Amount	Expiry year - financial year
FY 2016-17	198,813,753	No Expiry period	390,275,957	No Expiry period
FY 2017-18	722,013,659	No Expiry period	553,195,193	No Expiry period
FY 2018-19	366,314,185	No Expiry period	317,317,528	No Expiry period
<b>Total</b>	<b>1,287,141,597</b>		<b>1,260,788,678</b>	



## Edelweiss International (Singapore) Pte Limited

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

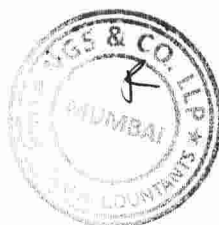
(Currency : Indian rupees)

#### 31. Earnings per share

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
a)	Net profit/ (loss) attributable to ordinary shareholders (as per Statement of profit and loss)	84,318,679	(505,717,031)
b)	Calculation of weighted average number of ordinary shares of SGD 1/- each:		
	– Number of shares at the beginning of the year	42,797,907	42,797,907
	– Number of shares issued during the year	-	-
	Total number of ordinary shares outstanding at the end of the year	42,797,907	42,797,907
	Weighted average number of ordinary shares outstanding during the year (based on the date of issue of shares)	42,797,907	42,797,907
c)	Basic and diluted earnings per share (in rupees) (a/b)	1.97	(11.82)

#### 32. Segmental information

The Company has operated only in one business segment during the year viz. trading and investments. 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.



# Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

## 33. Retirement benefit plan

### Defined benefit plan (Gratuity):

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

### Statement of profit and loss

#### Expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	347,289	133,212
Interest on defined benefit obligation	38,600	247,394
Past service cost	-	-
Exchange rate adjustment	62,520	152,274
Total included in 'Employee benefits expense'	448,409	532,881

#### Movement in Other Comprehensive Income:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at start of year (Loss)/ Gain	(3,292,247)	-
Re-measurements on defined benefit obligation (DBO)		
a. Actuarial (Loss)/ Gain from changes in financial assumptions	25,000	19,030
b. Actuarial (Loss)/ Gain from experience over the past year	(289,899)	(3,311,277)
Balance at end of year (Loss)/ Gain	(3,557,146)	(3,292,247)

### Balance sheet

#### Reconciliation of defined benefit obligation (DBO) :

Particulars	As at 31 March 2020	As at 31 March 2019
Present value of DBO at the beginning of the year	527,378	3,325,000
Transfer (out)/in	-	18,835
Interest cost	38,600	247,394
Current service cost	347,289	133,212
Benefits paid	(257,308)	(57,091)
Actuarial (gain)/loss	(264,899)	(3,292,247)
Exchange Rate Adjustment	62,520	152,274
Present value of DBO at the end of the year	453,580	527,378

#### Reconciliation of fair value of plan assets:

Particulars	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets at the beginning of the year		
Contributions by Employer	257,308	57,091
Benefits paid	(257,308)	(57,091)
Fair value of plan assets at the end of the year	-	-

#### Net asset / (liability) recognised in the balance sheet:

Particulars	As at 31 March 2020	As at 31 March 2019
Present Value of DBO	453,580	527,378
Fair Value of Plan Assets	-	-
Liability/ (Asset) recognised in the Balance Sheet	453,580	527,378
Funded Status [Surplus/ (Deficit)]	(453,580)	(527,378)
Less: Amount not recognized as asset [Effect of limiting net assets to asset ceiling]	-	-
Net (Liability)/ Asset recognised in the Balance Sheet	(453,580)	(527,378)
Of Which, Short term Liability	4,000	1,000
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	(289,899)	(3,311,277)

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

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	2.10%	3.20%
Salary escalation	3.20%	3.20%
Interest rate on net DBO/ (Asset)	3.20%	5.30%
Employees attrition rate	13%-25%	13% to 25%
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Percentage Break-down of Total Plan Assets		
Investment Funds with Insurance Company	0%	0%

#### Sensitivity Analysis for 2020:

Assumptions	Discount rate	Future salary increases
Sensitivity Level	1% increase      1% decrease	1% increase      1% decrease
Impact on defined benefit obligation	(21,000)	24,000      23,000      (21,000)

#### Sensitivity Analysis for 2019:

Assumptions	Discount rate	Future salary increases
Sensitivity Level	1% increase      1% decrease	1% increase      1% decrease
Impact on defined benefit obligation	(18,835)	18,835      18,835      (18,835)



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# Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

## 34. 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. Derivatives have been classified to mature and/or be repaid within 12 months, regardless of the actual contractual maturities of the products

Particulars	As at 31 March 2020			As at 31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	397,905,213	-	397,905,213	433,570,769	-	433,570,769
Derivative financial instruments	462,612,922	-	462,612,922	169,251,987	-	169,251,987
Stock-in-trade	1,061,963,477	-	1,061,963,477	420,791,209	-	420,791,209
Trade receivables	4,490,700	-	4,490,700	29,444,652	-	29,444,652
Loans	36,996,627	-	36,996,627	-	-	-
Investments	168,273,768	77,927,127	246,200,895	137,842,639	-	137,842,639
Other financial assets	489,182,997	5,860,253	495,043,250	544,248,039	5,901,354	550,149,393
<b>Non-financial assets</b>	<b>2,621,425,704</b>	<b>83,787,380</b>	<b>2,705,213,084</b>	<b>1,735,149,295</b>	<b>5,901,354</b>	<b>1,741,050,649</b>
Deferred tax assets (net)	-	5,075,511	5,075,511	-	4,123,576	4,123,576
Property, plant and equipment	-	37,836,861	37,836,861	-	5,675,579	5,675,579
Other intangible assets	-	26,390	26,390	-	121,729	121,729
Other non-financial assets	2,458,462	-	2,458,462	-	-	-
<b>Total assets (A)</b>	<b>2,623,884,166</b>	<b>126,726,142</b>	<b>2,750,610,308</b>	<b>1,742,949,674</b>	<b>15,822,238</b>	<b>1,758,771,912</b>

Particulars	As at 31 March 2020			As at 31 March 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Trade payables	13,586,411	-	13,586,411	17,650,045	-	17,650,045
Borrowing	-	-	-	41,216,987	-	41,216,987
(other than debt securities)	-	-	-	-	-	-
Other financial liabilities	1,137,927,761	18,146,790	1,156,074,551	334,578,695	-	334,578,695
Non-financial liabilities	1,151,514,172	18,146,790	1,169,660,962	393,445,727	-	393,445,727
Provisions	222,177	1,490,881	1,713,058	247,242	1,707,086	1,954,328
Other non-financial liabilities	230,584	-	230,584	1,066,363	-	1,066,363
<b>Total liabilities (B)</b>	<b>1,151,966,933</b>	<b>19,637,671</b>	<b>1,171,604,604</b>	<b>394,759,332</b>	<b>1,707,086</b>	<b>396,466,418</b>
<b>Net (A-B)</b>	<b>1,471,917,233</b>	<b>107,088,471</b>	<b>1,579,005,704</b>	<b>1,348,190,342</b>	<b>14,115,152</b>	<b>1,362,305,494</b>



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## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

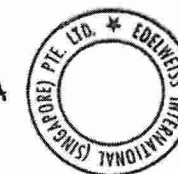
#### 35. Change in liabilities arising from financing activities

Particulars	1 April 2019	Cash flows	Changes in fair values	Exchange differences	Others*	31 March 2020
Borrowings (other than debt securities)	41,216,987	(42,875,275)	-	1,017,613	640,675	-
<b>Total liabilities from financing activities</b>	<b>41,216,987</b>	<b>(42,875,275)</b>	<b>-</b>	<b>1,017,613</b>	<b>640,675</b>	<b>-</b>

Particulars	1 April 2018	Cash flows	Changes in fair values	Exchange differences	Others*	31 March 2019
Borrowings (other than debt securities)	989,547,037	(981,247,896)	-	-	32,917,846	41,216,987
<b>Total liabilities from financing activities</b>	<b>989,547,037</b>	<b>(981,247,896)</b>	<b>-</b>	<b>-</b>	<b>32,917,846</b>	<b>41,216,987</b>

\* Includes effect of interest charge for the year

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## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

#### 36. Contingent liabilities and commitments

##### 36.1 Legal claims

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

##### 36.2 Operating lease commitments

- 1) This note provides information for leases where the Company is a lessee.

	31 March 2020	31 March 2019
Right-of-use assets	34,800,984	52,718,750
Lease liability	37,398,668	53,324,181

For adjustments recognised on adoption of Ind AS 116 on 1 April 2019, please refer to note 4.9.

- 2) The statement of profit or loss shows the following

	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on ROU of building	19,550,588	-
Interest cost	5,051,015	-

##### Measurement of lease liability

	1-Apr-19
Opening lease commitment disclosed as at 31 March 2019	57,586,079
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(4,261,898)
Lease liability recognised as at 1 April 2019	53,324,181

##### Practical expedient used by the Company

In applying Ind AS 116 for the first time, the group has used the following practical expedients permitted by the standard:

- 1 applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- 2 an impairment review – there were no onerous contracts as at 1 January 2019
- 3 accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- 4 excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application
- 5 The weighted average lessee's incremental borrowing rate 12% applied to lease liabilities recognised in the statement of financial position at the date of initial application

The change in accounting policy affected the following items in balance sheet as on 1 April 2019

Lease liability	53,324,181
ROU	52,718,750
The net impact on retained earnings as on 1 April 2019 was decrease	605,431

The Company had total cash outflows for leases of INR 22.78 million. The initial application of Ind AS 116 resulted in noncash additions to right-of-use assets and lease liabilities of INR 52.72 million and 53.32 million at 1 April 2019.

##### 36.3 Contingent liabilities

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



## **Edelweiss International (Singapore) Pte Limited**

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

(Currency : Indian rupees)

### **37. Related party disclosures**

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

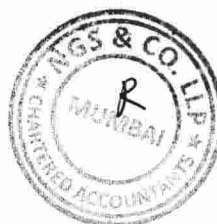
Edelweiss Capital (Singapore) Pte Limited	Holding company (till 25th March 2020)
Edelweiss Financial Services Limited	Ultimated holding company
Edel Investment Limited	Holding company (from 25th March 2020)

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

Edelweiss Alternative Assets Advisors Pte Limited  
EC Global Limited  
Edelweiss Investment Advisors Pte Limited  
Edelweiss Financial Services Inc  
Edelweiss Rural & Corporate Services Limited  
Ecap Equities Limited

#### **(C) Names of key managerial personnel**

Sagar Anand  
Rahul R. Kumar  
Ashish Daima



# Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

### 37. Related party disclosures (continued)

#### (D) Transactions and balances with related parties :

Sr. No.	Nature of transaction	Related party name	31 March 2020	31 March 2019
<b>(I) Current account transactions during the year</b>				
	Short term loans taken from (refer note 1 below)	Edelweiss Capital (Singapore) Pte. Limited	35,617,204	102,069,619
	Short term loans repaid to (refer note 1 below)	Edelweiss Capital (Singapore) Pte. Limited	77,726,494	1,117,443,246
	Short term loans given to (refer note 1 below)	Edelweiss Capital (Singapore) Pte. Limited	125,054,083	45,325,598
	Short term loans repaid by (refer note 1 below)	Edelweiss Capital (Singapore) Pte. Limited	157,581,220	45,325,598
	Interest expense on loans taken from	Edelweiss Capital (Singapore) Pte. Limited	640,674	27,891,785
	Interest income on loans given to	Edelweiss Capital (Singapore) Pte. Limited	2,598,735	95,621
	Professional charges paid to	Edelweiss Financial Services Inc	3,556,429	4,906,968
		Edelweiss Rural & Corporate Services Limited	4,429,942	3,675,456
	Office expenses paid to	Edelweiss Rural & Corporate Services Limited	-	5,569,026
		Edelweiss Financial Services Limited	7,515	-
	Guarantee commission paid to	Edelweiss Financial Services Limited	239,698	1,677,333
	Remuneration paid to	Navin Jashan Amarnani	-	15,443,854
		Sahil Joshi	-	6,049,224
		Sagar Anand	19,901,026	16,214,911
		Arun Singhal	-	13,899,105
		Rahul R. Kumar	6,724,584	3,579,962
		Ashish Daima	5,769,104	-
	Cost reimbursement received from	Edelweiss Alternative Asset Advisors Pte Limited	11,367,650	6,200,075
		Edelweiss Investment Advisors Private Limited	6,314,145	3,474,256
		EC Global Limited	2,485,741	29,730,382
	Cost reimbursement paid to	Edelweiss Capital (Singapore) Pte. Limited	141,823	-



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## Edelweiss International (Singapore) Pte Limited

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

(Currency: Indian rupees)

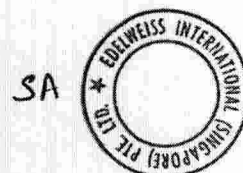
#### 37. Related party disclosures (continued)

##### (D) Transactions and balances with related parties :

Sr. No.	Nature of transaction	Related party name	31 March 2020	31 March 2019
<b>(II) Balances with related parties</b>				
	Borrowings (other than debt securities) from	Edelweiss Capital (Singapore) Pte. Limited	-	41,093,089
	Unsecured loans given to	Edelweiss Capital (Singapore) Pte. Limited	36,650,907	-
	Trade payables to	Edelweiss Financial Services Limited	262,931	1,660,111
		Edelweiss Financial Services Inc	344,664	4,856,586
		Edelweiss Rural & Corporate Services Limited	4,711,619	6,145,109
	Interest accrued but not due on borrowings from	Edelweiss Capital (Singapore) Pte. Limited	-	123,898
	Interest accrued but not due on loans given to	Edelweiss Capital (Singapore) Pte. Limited	345,720	-
	Trade receivables from	Aster Commodities DMCC	-	60,000
		EC Global Limited	-	29,425,817
	Other receivables from	Edelweiss Alternative Asset Advisors Pte Limited	2,887,132	16,250
		Edelweiss Investment Advisors Private Limited	1,603,568	9,411
		Edelweiss Financial Services Limited	3,754	-
	Other payables to	Ecap Equities Limited	9,242	-
<b>(IV) Others</b>				
	Corporate guarantee given by	Edelweiss Financial Services Limited	-	1,383,426,000
		Edelweiss Capital (Singapore) Pte. Limited	-	345,856,500

#### Note:

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



## **Edelweiss International (Singapore) Pte Limited**

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

(Currency : Indian rupees)

#### **38. 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.

The Company is not subject to externally imposed capital requirements.

#### **39. Events after reporting date**

There have been no events after the reporting date that require disclosure in these financial statements.



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# Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

### 40. Fair values of measurements

#### 40.1 Valuation principles

Fair value 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 a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in Note 4.8.

#### 40.2 Assets and liabilities by fair value hierarchy

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

Particulars	As at 31 March 2020			Total
	Level 1	Level 2	Level 3	
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments</b>				
Exchange-traded derivatives	2,616,363	-	-	2,616,363
OTC derivatives	-	460,205,751	-	460,205,751
<b>Total derivative financial instruments - A</b>	<b>2,616,363</b>	<b>460,205,751</b>	<b>-</b>	<b>462,822,114</b>
Embedded derivative assets in market-linked debentures (provided embedded derivative shown separately)				-
<b>Financial Assets held for trading</b>				
Equity instruments	1,061,963,477	-	-	1,061,963,477
<b>Total Financial assets held for trading - B</b>	<b>1,061,963,477</b>	<b>-</b>	<b>-</b>	<b>1,061,963,477</b>
<b>Investments</b>				
Government debt securities	246,200,895	-	-	246,200,895
<b>Total investments measured at fair value - C</b>	<b>246,200,895</b>	<b>-</b>	<b>-</b>	<b>246,200,895</b>
<b>Total (A+B+C)</b>	<b>1,310,780,735</b>	<b>460,205,751</b>	<b>-</b>	<b>1,770,986,486</b>

Particulars	As at 31 March 2020			Total
	Level 1	Level 2	Level 3	
<b>Liabilities measured at fair value on a recurring basis -</b>				
<b>Derivative financial instruments</b>				
Exchange-traded derivatives	3,380,362	-	-	3,380,362
OTC derivatives	-	741,387,617	-	741,387,617
<b>Total derivative financial instruments - A</b>	<b>3,380,362</b>	<b>741,387,617</b>	<b>-</b>	<b>744,767,979</b>
<b>Financial liabilities designated at FVTPL</b>				
Provision for short sale	1,118,666,641	-	-	1,118,666,641
<b>Total Financial liabilities designated at FVTPL - B</b>	<b>1,118,666,641</b>	<b>-</b>	<b>-</b>	<b>1,118,666,641</b>
<b>Total (A+B)</b>	<b>1,122,047,003</b>	<b>741,387,617</b>	<b>-</b>	<b>1,863,434,620</b>



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# Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

## 40. Fair values of measurements (continued)

### 40.2 Assets and liabilities by fair value hierarchy (continued)

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy

Particulars	As at 31 March 2019			Total
	Level 1	Level 2	Level 3	
<b>Assets measured at fair value on a recurring basis</b>				
<b>Derivative financial instruments</b>				
Exchange-traded derivatives	5,100,830	-	-	5,100,830
OTC derivatives	-	187,829,685	-	187,829,685
<b>Total derivative financial instruments - A</b>	<b>5,100,830</b>	<b>187,829,685</b>	<b>-</b>	<b>192,930,515</b>
<b>Financial Assets held for trading</b>				
Equity instruments	420,791,209	-	-	420,791,209
<b>Total Financial assets held for trading - B</b>	<b>420,791,209</b>	<b>-</b>	<b>-</b>	<b>420,791,209</b>
<b>Investments</b>				
Government debt securities	137,842,639	-	-	137,842,639
<b>Total investments measured at fair value - C</b>	<b>137,842,639</b>	<b>-</b>	<b>-</b>	<b>137,842,639</b>
<b>Total (A+B+C)</b>	<b>563,734,678</b>	<b>187,829,685</b>	<b>-</b>	<b>751,564,363</b>

Particulars	As at 31 March 2019			Total
	Level 1	Level 2	Level 3	
<b>Liabilities measured at fair value on a recurring basis -</b>				
<b>Derivative financial instruments</b>				
Exchange-traded derivatives	37,352,225	-	-	37,352,225
OTC derivatives	-	166,375,652	-	166,375,652
<b>Total derivative financial instruments - A</b>	<b>37,352,225</b>	<b>166,375,652</b>	<b>-</b>	<b>203,727,877</b>
<b>Financial liabilities designated at FVTPL</b>				
Provision for short sale	282,956,243	-	-	282,956,243
<b>Total Financial liabilities designated at FVTPL - B</b>	<b>282,956,243</b>	<b>-</b>	<b>-</b>	<b>282,956,243</b>
<b>Total (A+B)</b>	<b>320,308,468</b>	<b>166,375,652</b>	<b>-</b>	<b>486,684,120</b>



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## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

#### 40. Fair values of measurements (continued)

##### 40.3 Financial assets and financial liabilities are measured at fair value using the below valuation techniques

Financial Assets/Financial Liabilities	Fair Value hierarchy	Valuation technique and key inputs
Equity - futures & options	Level 1	Quoted prices in an active market
Index - futures & options	Level 1	
Currency - futures	Level 1	
Interest rate futures	Level 1	
Debt securities & treasury bills	Level 1	
Equity instruments	Level 1	
Currency - forward and spot	Level 2	Quoted price from broker/ reliable sources- Bloomberg, etc.
Interest rate swaps	Level 2	
Total return swaps	Level 2	
Variance swaps	Level 2	

##### 40.4 Transfer between Level 1 Level 2 and Level 3

There were no transfers between different levels during the year.

##### 40.5 Financial instruments not measured at fair value

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

#### 41. Risk Management

##### 41.1 Introduction and risk management framework

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



# Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

## 41.2 Analysis of risk concentration

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

Industry analysis - Risk concentration for 31 March 2020										
Particulars	Financial services	Government	Consumers	Oil & gas	Services	Mining	Manufacturing	Energy and chemical company	Others	Total
Cash and cash equivalent	397,905,213	-	-	-	-	-	-	-	-	397,905,213
Derivative financial instruments	462,612,922	-	-	-	-	-	-	-	-	462,612,922
Stock in trade	61,535,234	-	715,534,392	61,911,450	208,214,303	14,768,098	-	-	-	1,061,963,477
Debt instruments at fair value through OCI	-	246,200,895	-	-	-	-	-	-	-	246,200,895
Trade and other receivables	4,490,700	-	-	-	-	-	-	-	-	4,490,700
Loans	36,996,627	-	-	-	-	-	-	-	-	36,996,627
Other financial assets	488,795,153	-	-	-	-	-	-	-	6,248,097	495,043,250
Total	1,452,335,849	246,200,895	715,534,392	61,911,450	208,214,303	14,768,098	-	-	6,248,097	2,705,213,084
Industry analysis - Risk concentration for 31 March 2019										
Particulars	Financial services	Government	Consumers	Oil & gas	Services	Mining	Manufacturing	Energy and chemical company	Others	Total
Cash and cash equivalent	433,570,769	-	-	-	-	-	-	-	-	433,570,769
Derivative financial instruments	169,251,987	-	-	-	-	-	-	-	-	169,251,987
Stock in trade	98,639,049	-	12,849,261	65,193,155	37,815,950	174,728,864	31,564,930	-	-	420,791,209
Debt instruments at fair value through OCI	-	137,842,639	-	-	-	-	-	-	-	137,842,639
Trade and other receivables	29,444,652	-	-	-	-	-	-	-	-	29,444,652
Other financial assets	543,797,992	-	-	-	-	-	-	-	6,351,401	550,149,393
Total	1,274,704,449	137,842,639	-	12,849,261	65,193,155	37,815,950	174,728,864	31,564,930	6,351,401	1,741,050,649



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## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

#### 41.3 Collateral held and other credit enhancements

The tables on the following pages show the maximum exposure to credit risk by class of financial asset. The carrying amounts of financial assets represent the Company's maximum exposure to credit risk, before taking into account any collateral held

Particulars	Maximum exposure to credit risk	
	31 March 2020	31 March 2019
<b>Financial assets</b>		
Cash and cash equivalent	397,905,213	433,570,769
Loans	36,996,627	-
Trade receivables	4,490,700	29,444,652
Derivative financial instruments	462,612,922	169,251,987
Margin with brokers	488,791,399	543,797,992
Other assets (*)	6,251,851	6,351,401
Debt instruments at fair value through OCI	246,200,895	137,842,639
<b>Total</b>	<b>1,643,249,607</b>	<b>1,320,259,440</b>

(\*) excludes prepaid expenses

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

The Company's cash and cash equivalents are held with reputed and regulated financial institutions. Loans are given to related parties

Margin held with brokers and exchanges represent initial and maintenance margin accounts, and other cash collateral for derivative transactions. The Company transacts with various brokers of acceptable credit ratings.

Debt instruments at fair value through OCI comprises of investment in US Treasury bonds

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## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

### 41.4 Financial assets available to support future funding

Following table sets out availability of 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	-	-	-	397,905,213	397,905,213
Stock in trade*	1,061,963,477	-	-	-	1,061,963,477
Trade receivables	-	-	4,490,700	-	4,490,700
Derivative assets	-	-	-	462,612,922	462,612,922
Other financial assets	488,791,399	-	-	6,251,851	495,043,250
Loans	-	-	-	36,996,627	36,996,627
Investments	246,200,895	-	-	-	246,200,895
Property, Plant and Equipment	-	-	-	37,836,861	37,836,861
<b>Total assets</b>	<b>1,796,955,771</b>	<b>-</b>	<b>4,490,700</b>	<b>941,603,474</b>	<b>2,743,049,945</b>

Particulars	31 March 2019				
	Encumbered		Unencumbered		Total carrying amount
	Pledge as collateral	Others (1)	Available as collateral	Others (2)	
Cash and cash equivalent	-	-	-	433,570,769	433,570,769
Stock in trade	420,791,209	-	-	-	420,791,209
Trade receivables	-	-	29,444,652	-	29,444,652
Derivative assets	-	-	-	169,251,987	169,251,987
Other financial assets	543,797,992	-	-	6,351,401	550,149,393
Investments	137,842,639	-	-	-	137,842,639
Property, Plant and Equipment	-	-	-	5,675,579	5,675,579
<b>Total assets</b>	<b>1,102,431,840</b>	<b>-</b>	<b>29,444,652</b>	<b>614,849,736</b>	<b>1,746,726,228</b>

\* Stock in trade consist excess amount of INR 77,524,070 over margin requirement of broker.

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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## 41.5 Liquidity and risk management

## 41.5.1 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.

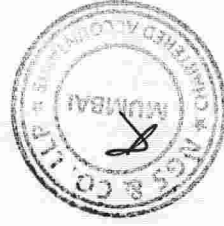
As at 31 March 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 to 6 months	6 to 12 months	1 to 3 years	Over 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings (other than debt securities)	-	-	-	-	-	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total undiscounted non-derivative financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
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	3 years to 5 years	Over 5 years	Total
Trade payables	41,216,987	-	-	-	-	-	-	-	-	-	-	41,216,987
Borrowings (other than debt securities)	309,986,530	-	-	-	-	-	-	-	-	-	-	309,986,530
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Total undiscounted non-derivative financial liabilities	41,216,987	-	-	-	-	-	-	-	-	-	-	41,216,987

## 41.5.2 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	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent	397,905,213	-	-	-	-	-	-	-	-	-	-	397,905,213
Stock in trade	1,061,963,477	-	-	-	-	-	-	-	-	-	-	1,061,963,477
Trade receivables	-	-	-	-	-	-	-	-	-	-	-	-
Loans	36,996,627	-	-	-	-	-	-	-	-	-	-	36,996,627
Investments at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	1,233,741,784	-	-	-	-	-	-	-	-	-	-	1,233,741,784
Total	434,901,840	-	-	-	-	-	-	-	-	-	-	434,901,840

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	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent	433,570,769	-	-	-	-	-	-	-	-	-	-	433,570,769
Stock in trade	420,791,209	-	-	-	-	-	-	-	-	-	-	420,791,209
Trade receivables	-	-	-	-	-	-	-	-	-	-	-	-
Investments at FVOCI	-	-	-	-	-	-	-	-	-	-	-	-
Other financial assets	724,297,388	-	-	-	-	-	-	-	-	-	-	724,297,388
Total	433,570,769	-	-	-	-	-	-	-	-	-	-	433,570,769



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**Edelweiss International (Singapore) Pte Limited**

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

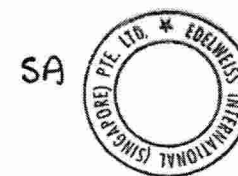
(Currency : Indian rupees)

**41.5.3 Maturity analysis for derivatives**

All derivatives which are entered into for trading purposes are shown in the earliest time band. With respect to other derivatives, the remaining contractual maturity information has been given based on undiscounted cash flows.

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	3 years to 5 years	Over 5 years	Total
Net settled derivatives entered into for trading purposes	-	(281,945,865)	-	-	-	-	-	-	-	-	-	(281,945,865)
<b>Total</b>	-	(281,945,865)	-	-	-	-	-	-	-	-	-	(281,945,865)

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	3 years to 5 years	Over 5 years	Total
Net settled derivatives entered into for trading purposes	-	(10,797,362)	-	-	-	-	-	-	-	-	-	(10,797,362)
<b>Total</b>	-	(10,797,362)	-	-	-	-	-	-	-	-	-	(10,797,362)





# Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

## 41.6 Market risk

Market the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios and manages each of those portfolios separately. Such risks the market risk for the trading portfolio is managed and monitored based on a VaR methodology that reflects the interdependency between risk variables. Non-trading positions are managed and monitored using other sensitivity analyses.

### 41.6.1 Total market risk exposure

31 March 2020		31 March 2019	
Particulars	Carrying amount	Traded risk	Non-traded risk
Assets			
Cash and cash equivalent	397,905,213	-	433,570,769
Derivative financial instruments	462,612,922	-	169,251,987
Stock-in-trade	1,061,963,477	-	420,791,209
Loans	36,996,627	-	-
Trade receivables	4,490,700	-	29,444,652
Financial investments- FVOCI	246,200,895	-	137,842,639
Other financial assets	495,043,250	6,251,851	543,797,992
Total	2,705,213,084	2,259,568,693	1,741,050,649
Liability			
Borrowings (other than Debt Securities)	-	-	-
Trade payables	13,586,411	-	17,650,045
Other liabilities	1,156,074,551	37,407,910	282,956,243
Total	1,169,660,962	1,118,666,641	50,994,321
			393,445,727
			282,956,243
			110,489,484



## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

### 41.6.2 Sensitivity analysis

#### (i) 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	1,149,235	-	25	(1,149,235)	-

#### (ii) Currency risk

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

The table below indicates the currencies to which the Company had significant exposure at the end of the reported periods. The analysis calculates the effect of a reasonably possible movement of the currency rate against the INR (all other variables being constant) on the statement of profit and loss and equity.

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
Singapore Dollar	5	(1,432,553)	-	5	1,432,553	-
United Arab Emirates Dirham	5	(41,760)	-	5	41,760	-
Hong Kong Dollar	5	(2,263,845)	-	5	2,263,845	-
Japanese Yen	5	(43,537,682)	-	5	43,537,682	-
Korean Won	5	3,497,697	-	5	(3,497,697)	-
Australian Dollar	5	(294,515)	-	5	294,515	-
Great Britain Pound	5	506,012	-	5	(506,012)	-
European currency	5	565,853	-	5	(565,853)	-

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
Singapore Dollar	5	(334,076)	-	5	334,076	-
United Arab Emirates Dirham	5	(385,942)	-	5	385,942	-
Hong Kong Dollar	5	(1,245,652)	-	5	1,245,652	-
Japanese Yen	5	1,911,449	-	5	(1,911,449)	-
Korean Won	5	11,217,944	-	5	(11,217,944)	-
Australian Dollar	5	314,368	-	5	(314,368)	-
Great Britain Pound	5	(13,893)	-	5	13,893	-
European currency	5	54	-	5	(54)	-



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## Edelweiss International (Singapore) Pte Limited

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

(Currency : Indian rupees)

### 41.6.2 Sensitivity analysis (continued)

#### (iii) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of individual investment in equity share prices.

Impact on	2019-20					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	2,803,675	-	5	(2,803,675)	-
Stock in trade (net of provision for short sale)	5	(2,835,158)	-	5	2,835,158	-

Impact on	2018-19					
	Increase in equity price (%)	Effect on profit before tax	Effect on Equity	Decrease in equity price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	(6,376,072)	-	5	6,376,072	-
Stock in trade (net of provision for short sale)	5	6,891,748	-	5	(6,891,748)	-

#### (iv) Index price risk

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

Impact on	2019-20					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	(2,212,370)	-	5	2,212,370	-

Impact on	2018-19					
	Increase in index price (%)	Effect on profit before tax	Effect on Equity	Decrease in index price (%)	Effect on profit before tax	Effect on Equity
Derivatives	5	(3,548,075)	-	5	3,548,075	-

#### (v) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the level of market prices other than equity and index prices.

Impact on	2019-20					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Debt instruments at fair value through OCI	5	-	12,310,045	5	-	(12,310,045)

Impact on	2018-19					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Debt instruments at fair value through OCI	5	-	6,892,132	5	-	(6,892,132)

As per our report of even date attached.

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

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



For and on behalf of the Board of Directors

Ashish Daima  
Director

26 June 2020

Sagar Anand  
Director

26 June 2020

