

## INDEPENDENT AUDITOR'S REPORT

To the Liquidator of **EW Special Opportunities Advisors LLC**

### Report on the Audit of the Special Purpose Financial Statements

#### Opinion

We have audited the accompanying Special Purpose Financial Statements of **EW Special Opportunities Advisors LLC** ("the Company"), which comprise the Balance sheet as at March 31, 2021, 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, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of matter

We draw attention to Note 1.2 of the financial statements, the shareholders of the Company has approved the plan of liquidation vide the resolution dated December 31, 2020 and the Company commenced liquidation shortly thereafter. As a result the Company has changed its basis of accounting for periods subsequent to December 31, 2020 from the going-concern basis to a liquidation basis. Our opinion is not modified in respect of this matter.

#### Other Information

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

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

The management is 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 expressing our opinion on whether the Company has adequate internal financial controls with reference to 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.



#### Other Matter

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, 2021 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 requirement for provisions 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 Number: 119850W

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



UDIN: 21104796AAABMM8328

Place: Mumbai  
Date: May 20, 2021

**Annexure A**  
**Report on the Internal Financial Controls**

We have audited the internal financial controls over financial reporting of **EW Special Opportunities Advisors LLC** ("the Company") as of March 31, 2021 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.

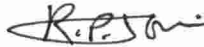
**Opinion**

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, 2021, 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 Number: 119850W



**R.P. Soni**

Partner

Membership No.: 104796



UDIN: 21104796AAABMM8328

Place: Mumbai

Date: May 20, 2021

## EW Special Opportunities Advisors LLC

### Balance Sheet

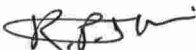
(Currency : Indian rupees)

	Note	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2.1	1,184,403	4,119,893
Investments	2.2	9,493	9,720
		<u>1,193,896</u>	<u>4,129,613</u>
<b>Non-financial assets</b>			
Other non- financial assets	2.3	-	91,481
		<u>-</u>	<u>91,481</u>
<b>TOTAL ASSETS</b>		<u>1,193,896</u>	<u>4,221,094</u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables	2.4	686,267	847,812
		<u>686,267</u>	<u>847,812</u>
<b>EQUITY</b>			
Equity share capital	2.5	21,269,527	21,269,527
Other equity	2.6	-20,761,898	-17,896,245
		<u>507,629</u>	<u>3,373,282</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>1,193,896</u>	<u>4,221,094</u>

Significant accounting policies and notes forming part of the financial statement 1

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


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



R. P. Soni  
Partner  
Membership No.: 104796  
Mumbai  
Date : May 20, 2021



For and on behalf of Liquidator



Vijay Bhugnath  
Liquidator

# EW Special Opportunities Advisors LLC

## Statement of Profit and Loss

(Currency : Indian rupees)

		For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Revenue from operations</b>			
Fee income		-	-
<b>Total revenue from operations</b>		-	-
<b>Total income</b>		-	-
<b>Expenses</b>			
Finance costs	2.7	181,254	171,146
Other expenses	2.8	2,580,618	1,695,687
<b>Total expenses</b>		<b>2,761,872</b>	<b>1,866,833</b>
Profit / (loss) before exceptional items and tax		(2,761,872)	(1,866,833)
Exceptional items		-	-
Share of (loss)/ profit in Associates companies		-	-
<b>Profit before tax</b>		<b>(2,761,872)</b>	<b>(1,866,833)</b>
<b>Tax expenses:</b>			
Current tax		-	-
Deferred tax		-	-
<b>(Loss)/profit for the period/year from continuing operations</b>		<b>(2,761,872)</b>	<b>(1,866,833)</b>
<b>(Loss)/ profit for the year</b>		<b>(2,761,872)</b>	<b>(1,866,833)</b>
<b>Other comprehensive income</b>			
<b>Items that will be reclassified to profit or loss</b>			
Foreign Exchange Translation Reserve - OCI		(103,781)	(2,894,521)
<b>Total</b>		<b>(103,781)</b>	<b>(2,894,521)</b>
<b>Other comprehensive income</b>		<b>-103,781</b>	<b>-2,894,521</b>
<b>Total comprehensive income</b>		<b>(2,865,653)</b>	<b>(4,761,354)</b>
<b>Earnings per share :</b>			
(1) Basic		(74.02)	(50.03)
(2) Diluted		(74.02)	(50.03)

Significant accounting policies and notes forming part of the financial statement


1 & 2

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

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



R. P. Soni

Partner

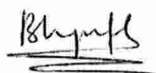
Membership No.: 104796

Mumbai

Date: May 20, 2021



For and on behalf of Liquidator



Vijay Bhugnath  
Liquidator

# EW Special Opportunities Advisors LLC

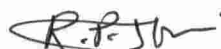
## Cash flow statement

(Currency: Indian rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>A Cash flow from operating activities</b>		
Profit/(loss) before taxation	(2,761,872)	(1,866,833)
<b>Operating cash flow before working capital changes</b>	(2,761,872)	(1,866,833)
<i>Add / (Less): Adjustments for working capital changes</i>		
(Increase) / Decrease in other assets	89,198	(3,461,030)
Increase / (Decrease) in trade payables	(140,389)	32,021
<b>Cash generated from / (used in) operations</b>	(2,813,063)	(5,295,842)
Income taxes paid	-	-
<b>Net cash generated from / (used in) operating activities - A</b>	(2,813,063)	(5,295,842)
<b>B Cash flow from investing activities</b>	-	-
<b>Net cash used in investing activities - B</b>	-	-
<b>C Cash flow from financing activities</b>	-	-
<b>Net cash generated from financing activities - C</b>	-	-
<b>D Change in foreign exchange translation reserve - D</b>	(122,427)	4,096,658
<b>Net increase in cash and cash equivalents (A+B+C+D)</b>	(2,935,490)	(1,199,184)
Cash and cash equivalents as at the beginning of the year	4,119,893	5,319,077
Cash and cash equivalents as at the end of the year (refere note no 2.1)	1,184,403	4,119,893

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

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

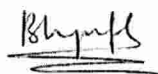


R. P. Soni  
Partner  
Membership No.: 104796  
Mumbai

Date: may 20, 2021



For and on behalf of Liquidator



Vijay Bhugnath  
Liquidator



## EW Special Opportunities Advisors LLC

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### A. Equity share capital

	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	21,269,527	21,269,527
Change in equity share capital	-	-
Balance at the end of the year	21,269,527	21,269,527

#### B. Other equity

	Reserves and Surplus		
	Retained earnings	Exchange differences on translating the financial statements of a foreign operation	Total
Balance at 31 March 2019 (Ind AS)	-16,927,821	3,792,930	-13,134,891
Profit or loss	-1,866,833		-1,866,833
Additional ESOP	-		-
Other comprehensive income	-	-2,894,521	-2,894,521
Total Comprehensive Income for the year		-2,894,521	-2,894,521
Balance at 31 March 2020 (Ind AS)	-18,794,654	898,409	-17,896,245
Profit or loss	-2,761,872		-2,761,872
Additional ESOP	-		-
Other comprehensive income	-	-103,781	-103,781
Total Comprehensive Income for the year		-103,781	-103,781
Balance at 31 March 2021 (Ind AS)	-21,556,526	794,628	-20,761,898

#### Retained earnings

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

#### 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 purpose 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.

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

For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W

R. P. Soni

Partner

Membership No.: 104796

Mumbai

Date: May 20, 2021



For and on behalf of Liquidator

Vijay Bhugnath  
Liquidator

# EW Special Opportunities Advisors LLC

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian rupees)

### 1.1 Background

EW Special Opportunities Advisors LLC (the "Company") was incorporated on 17 July 2009 in the Republic of Mauritius as a private company limited by shares. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by the Financial Services Commission. It also holds an Investment Adviser License (Unrestricted) under Section 30 of the Securities Act 2005.

Its main activity is investment holding and is allowed to provide investment advisory services.

### 1.2 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.

#### Going concern

The shareholders of the Company has approved the plan of liquidation vide the resolution dated 31 December 2020, subject to necessary regulatory approvals. As a result the Company has changed its basis of accounting from the going concern basis to a liquidation basis

### 1.3 Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 2.13.

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

### 1.4 Significant accounting policies

#### 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.



Bhupendra

# EW Special Opportunities Advisors LLC

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian rupees)

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

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

### 1.5 Financial Instruments

#### 1.5.1 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.

#### 1.5.2 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.

#### 1.5.3 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



*Bhargava*

# EW Special Opportunities Advisors LLC

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian rupees)

### Significant accounting policies (continued)

#### 1.6 Classification of financial instruments

##### 1.6.1 Financial assets:

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

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

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

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

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

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

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

##### 1.6.1.1 Amortized cost and Effective interest method

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

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

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



*Signature*

# EW Special Opportunities Advisors LLC

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian rupees)

### Significant accounting policies (continued)

#### Classification of financial instruments (continued)

##### 1.6.1.2 Investment in equity instruments

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

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

##### 1.6.2 Financial liabilities

All financial liabilities are measured at amortised cost.

##### 1.6.2.1 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.

##### 1.6.2.2 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

##### 1.6.3 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.

#### 1.7 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.

#### 1.8 Derecognition of financial assets and financial liabilities

##### 1.8.1 Derecognition of financial assets due to substantial modification of terms and conditions

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



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# EW Special Opportunities Advisors LLC

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees)

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.

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

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

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

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

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

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

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

### 1.8.3 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.

## 1.9 Impairment of financial assets

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

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



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# EW Special Opportunities Advisors LLC

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian rupees)

### Significant accounting policies (continued)

#### Impairment of financial assets (continued)

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

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

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

#### 1.10 Write off

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

#### 1.11 Determination of fair value

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

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



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# EW Special Opportunities Advisors LLC

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees)

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

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

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

### 1.12 Revenue from contract with customer

Revenue is measured at transaction price i.e. the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties. The Company consider the terms of the contract and its customary business practices to determine the transaction price. Where the consideration promised is variable, the Company excludes the estimates of variable consideration that are constrained.

The Company recognises Fee income including advisory fees, over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.



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# EW Special Opportunities Advisors LLC

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees)

### Significant accounting policies (continued)

#### 1.13 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.

#### 1.14 Foreign currency transactions

Transactions in foreign currencies other than functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

#### 1.15 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.

#### 1.16 Cash and cash equivalents

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

#### 1.17 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.



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# EW Special Opportunities Advisors LLC

## Notes to the financial statements (Continued)

for the year ended 31 March 2021

(Currency : Indian rupees)

### Significant accounting policies (continued)

#### 1.16 Provisions and other contingent liabilities (continued)

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

#### 1.18 Income tax

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

##### 1.18.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### 1.18.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets are also recognised with respect to carry forward 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.



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# EW Special Opportunities Advisors LLC

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian rupees)

### Significant accounting policies (continued)

#### 1.17 Income tax (continued)

##### 1.17.2 Deferred tax (continued)

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.

##### 1.18.3 Current and deferred tax for the year

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

#### 1.19 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.

#### 1.20 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.

##### 1.20.1 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



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# EW Special Opportunities Advisors LLC

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian rupees)

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

#### 1.19.1 Business model assessment (continued)

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.

#### 1.20.2 Significant increase in credit risk

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

### 1.21 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.

#### 1.21.1 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.



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# EW Special Opportunities Advisors LLC

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian rupees)

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

#### 1.21.2 Effective interest rate method

The Company's EIR methodology, as explained in Note 1.3, 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.

#### 1.21.3 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

#### 1.22 Standards issued but not yet effective

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



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## EW Special Opportunities Advisors LLC

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021	As at 31 March 2020
<b>2.1 Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	1,184,403	4,119,893
	<u>1,184,403</u>	<u>4,119,893</u>



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EW Special Opportunities Advisors LLC

Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021			As at 31 March 2020		
	Face Value	Quantity	Amount	Face Value	Quantity	Amount
2.2 Investments						
Other non-current investments						
Management shares						
EW Special Opportunities Fund LLC*	0.01 USD	999	645	0.01 USD	999	645
Class B shares						
EW Special Opportunities Fund LLC*	0.01 USD	12,038	8,848	0.01 USD	12,038	9,075
			<u>9,493</u>			<u>9,720</u>



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## EW Special Opportunities Advisors LLC

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021	As at 31 March 2020
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#### 2.3 Other non-financial assets

Prepaid expenses	-	91,481
	-	<u>91,481</u>



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## EW Special Opportunities Advisors LLC

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at 31 March 2021	As at 31 March 2020
<b>2.4 Trade payables</b>		
Trade payables from non-related parties	686,267	847,812
	<u>686,267</u>	<u>847,812</u>



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**EW Special Opportunities Advisors LLC**

**Notes to the financial statements (Continued)**

(Currency : Indian rupees)

	As at 31 March 2021	As at 31 March 2020
<b>2.5 Equity share capital</b>		
Issued, Subscribed and Paid up:		
37,313 (Previous year: 37,313) Class A shares of USD 1 each	1,705,980	1,705,980
305,100 (Previous year: 305,100) Class B shares of USD 1 each	19,559,070	19,559,070
100 (Previous year: 100) Class C shares of USD 1 each	4,477	4,477
	<u>21,269,527</u>	<u>21,269,527</u>

**a. Movement in share capital :**

	31 March 2021		31 March 2020	
	No of shares	Amount	No of shares	Amount
<b>Class A</b>				
Outstanding at the beginning of the year	37,313	1,705,980	37,313	1,705,980
Shares issued during the year	-	-	-	-
Outstanding at the end of the year	<u>37,313</u>	<u>1,705,980</u>	<u>37,313</u>	<u>1,705,980</u>
<b>Class B</b>				
Outstanding at the beginning of the year	305,100	19,559,070	305,100	19,559,070
Issued during the year	-	-	-	-
As at end of the year	<u>305,100</u>	<u>19,559,070</u>	<u>305,100</u>	<u>19,559,070</u>
<b>Class C</b>				
Outstanding at the beginning of the year	100	4,477	100	4,477
Issued during the year	-	-	-	-
As at end of the year	<u>100</u>	<u>4,477</u>	<u>100</u>	<u>4,477</u>

**b. Terms/rights attached to equity shares:**

**Class A Shares**

Class A shares represent the management and voting rights of the Company. The holders of Class A shares have a right to vote on a poll at a meeting of shareholders on any resolution, except for Class meetings of Class B and Class C shareholders. The Class A shares does not carry any distribution rights.

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

**Terms/rights attached to class B and class C shares:**

Class B and Class C shares are non voting but have a right to receive notice and to vote on a poll at a meeting of Class B and Class C shareholders only in cases where a vote is taken on matters which will vary and affect the rights of Class B and Class C shareholders. The holders of Class B and Class C shares are entitled to distribution (by way of dividend or otherwise) as per their Class A ownership percentage, unless otherwise mutually agreed between the parties in writing.

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

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at 31 March 2021		As at 31 March 2020	
	No of shares	%	No of shares	%
<b>Class A shares</b>				
EC International Limited	25,000	67	25,000	67
Omnipus Holdings	12,313	33	12,313	33
<b>Class B Shares</b>				
EC International Limited	305,100	100	305,100	100
<b>Class C shares</b>				
Omnipus Holdings	100	100	100	100

**2.6 Other equity**

Foreign exchange translation reserve		
Opening	898,409	3,792,930
Movement for the year	<u>-103,781</u>	<u>-2,894,521</u>
Closing	794,628	898,409
<b>Surplus in statement of profit and loss</b>		
Opening balance	-18,794,654	-16,927,821
Add: INDAS Impact	-	-
Add: Profit for the year	<u>-2,761,872</u>	<u>-1,866,833</u>
Closing balance	<u>-21,556,526</u>	<u>-18,794,654</u>
	<u>-20,761,898</u>	<u>-17,896,245</u>



*R. K. Angas*

## EW Special Opportunities Advisors LLC

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 2.7 Finance costs

	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest on loan from fellow subsidiaries	-	
Financial and bank charges	181,254	171,146
	<b>181,254</b>	<b>171,146</b>



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## EW Special Opportunities Advisors LLC

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>2.8 Other expenses</b>		
Auditors' remuneration	9,291	652,095
Directors' sitting fees	493,035	669,815
Legal and professional fees	1,516,654	(117,023)
ROC expenses	388,456	300,194
Travelling and conveyance	-	-
Miscellaneous expenses	63,769	83,572
Communication	7,709	11,794
License fees	-	-
Secretarial charges	78,312	57,203
Registered address charges	23,392	38,037
	<b>2,580,618</b>	<b>1,695,687</b>



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**EW Special Opportunities Advisors LLC**  
Notes to Financial statement (Continued)

**2.9 Earnings per share**

The following table shows the income and share data used in the basic and diluted EPS calculations:

Particulars	31 March 2021	31 March 2020
Net profit from continued operation attributable to equity holders	(2,761,872)	(1,866,833)
Interest on contingent convertible bonds		
Interest on convertible bond		
Net profit from continuing operation attributable to ordinary equity holders adjusted for the effect of dilution	(2,761,872)	(1,866,833)
Weighted average number of ordinary shares for basic earnings per share	37,313	37,313
Effect of dilution:		
Contingent convertible bonds		
Convertible bonds		
Weighted average number of ordinary shares adjusted for the effect of dilution	37,313	37,313
Earnings per share		
Equity shareholders for the year:		
Basic and diluted earnings per share	(74.02)	(50.03)

The basic and diluted earning per shares are the same as there are no dilutive potential ordinary shares

**2.10 Segment reporting**

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



*R. S. AGS & CO.*

**EW Special Opportunities Advisors LLC**  
Notes to Financial statement (Continued)

**2.11 Disclosure as required by Ind AS 24 "Related Party Disclosure"**

**(A) List of related parties**

Sr No	Name of Entity	Nature of relationship
1	Edelweiss Financial Services Limited	Ultimate Holding Company
2	EC International Limited	Holding Company

**(B) Transactions with related parties :**

Sr No	Nature of transaction	Related party name	For the year ended 31 March 2021
1	Cost reimbursement paid to	EAAA LLC	15,014

**(C) Balances with related parties :**

There were no balances with related parties outstanding as at 31 March 2021.



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**EW Special Opportunities Advisors LLC**  
**Notes to Financial statement (Continued)**  
**(Currency : Indian rupees)**

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

Particulars	31 March 2021	31 March 2020
Current tax	-	-
<b>Total tax charge</b>	-	-
Current tax	-	-
Deferred tax	-	-

**Reconciliation of total tax charge**

Particulars		31 March 2021	31 March 2020
Accounting profit before tax as per financial statements		(2,761,872)	(1,866,833)
Tax rate (in percentage)		15.00%	15.00%
Income tax expense calculated based on this tax rate		(414,281)	(280,025)
Effect of utilisation of tax losses or deferred tax assets on losses earlier recognised now considered not recoverable	A	-	-
Recognition of available tax credits (for example, Minimum Alternate Tax credit)	B	414,281	280,025
<b>Tax charge for the year recorded in P&amp;L</b>		-	-

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

As at 31 March 2021			
Financial Year to which the loss relates to	Unused tax losses		Total
	Amount	Expiry year - financial year	Amount
31-Mar-12	13,803,269	31-Mar-18	13,803,269
31-Mar-13	1,667,926	31-Mar-19	1,667,926
31-Mar-15	41,276,661	31-Mar-21	41,276,661
<b>Total</b>	<b>56,747,855</b>		<b>56,747,855</b>

As at 31 March 2020			
Financial Year to which the loss relates to	Unused tax losses		Total
	Amount	Expiry year - financial year	Amount
31-Mar-12	13,803,269	31-Mar-18	13,803,269
31-Mar-13	1,667,926	31-Mar-19	1,667,926
31-Mar-15	41,276,661	31-Mar-21	41,276,661
<b>Total</b>	<b>56,747,855</b>		<b>13,803,269</b>



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**EW Special Opportunities Advisors LLC**  
Notes to Financial statement (Continued)

**2.13 Maturity analysis of assets and liabilities**

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

Particulars	31 March 2021			31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	1,184,403		1,184,403	4,119,893		4,119,893
Investments	9,493		9,493		9,720	9,720
Other financial assets	-		-	-		-
	1,193,896	-	1,193,896	4,119,893	9,720	4,129,613
<b>Non-financial assets</b>						
Other non-financial assets	-		-	91,481		91,481
	-	-	-	91,481	-	91,481
<b>Total assets</b>	1,193,896	-	1,193,896	4,211,374	9,720	4,221,094

Particulars	31 March 2021			31 March 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Trade payables	686,267		686,267	847,812		847,812
	686,267	-	686,267	847,812	-	847,812
<b>Total liabilities</b>	686,267	-	686,267	847,812	-	847,812



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7.19 Remaining contractual maturities:

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

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

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Group expects that the counterparties will not request repayment on the earliest date it could be required to pay.

As at 31 March 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables					686,267						686,267
Total undiscounted non-derivative financial liabilities	-	-	-	-	686,267	-	-	-	-	-	686,267

As at 31 March 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables					847,812						847,812
Total undiscounted non-derivative financial liabilities	-	-	-	-	847,812	-	-	-	-	-	847,812

B. Analysis of non-derivative financial assets by remaining contractual maturities

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

As at 31 March 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	1,184,403										1,184,403
Investments at amortised cost							9,493				9,493
Other financial assets					-						-
Total	1,184,403	-	-	-	-	-	9,493	-	-	-	1,193,896

As at 31 March 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent and other bank balances	4,119,893										4,119,893
Investments at amortised cost								9,720			9,720
Total	4,119,893	-	-	-	-	-	-	9,720	-	-	4,129,613



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**EW Special Opportunities Advisors LLC**  
**Notes to Financial statement (Continued)**

**2.16 Analysis of risk concentration**

**Industry analysis - Risk concentration for 31 March 2021**

Particulars	Financial services	Total
<b>Financial assets</b>		
Cash and cash equivalent and other bank balances	1,184,403	1,184,403
Investments	9,493	9,493
Other financial assets	-	-
	1,193,896	1,193,896
Other Commitments		
<b>Total</b>	<b>1,193,896</b>	<b>1,193,896</b>

**Industry analysis - Risk concentration for 31 March 2020**

Particulars	Financial services	Total
<b>Financial assets</b>		
Cash and cash equivalent and other bank balances	4,119,893	4,119,893
Investments	9,720	9,720
	4,129,613	4,129,613
Other Commitments		-
<b>Total</b>	<b>4,129,613</b>	<b>4,129,613</b>



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EW Special Opportunities Advisors LLC  
Notes to Financial statement (Continued)

2.17 Total market risk exposure

Particulars	31 March 2021			31 March 2020		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cash equivalent and other bank balances	1,184,403		1,184,403	4,119,893		4,119,893
Investment (group co and fund shares)	9,493		9,493	9,720		8,972
<b>Total</b>	<b>1,193,896</b>	<b>-</b>	<b>1,193,896</b>	<b>4,129,613</b>	<b>-</b>	<b>4,128,865</b>
<b>Liability</b>						
Trade payables	686,267		686,267	847,812		847,812
Other liabilities				-		
<b>Total</b>	<b>686,267</b>	<b>-</b>	<b>686,267</b>	<b>847,812</b>	<b>-</b>	<b>847,812</b>



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EW Special Opportunities Advisors LLC  
Notes to Financial statement (Continued)

2.18 Disclosure related to collateral

Following table sets out availability of Group financial assets to support funding

31-Mar-21	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	1,184,403	1,184,403
Investments	-	-	9,493	-	9,493
<b>Total assets</b>	-	-	<b>9,493</b>	<b>1,184,403</b>	<b>1,193,896</b>

31-Mar-20	Pledge as collateral	others 1	Available as collateral	others 2	Total carrying amount
Cash and cash equivalent including bank balance	-	-	-	4,119,893	4,119,893
Investments	-	-	9,720	-	9,720
<b>Total assets</b>	-	-	<b>9,720</b>	<b>4,119,893</b>	<b>4,129,613</b>



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# EW Special Opportunities Advisors LLC

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian rupees)

### 2.14 Financial risk management

#### *Overview*

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

#### *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.

#### *Credit risk*

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

At the reporting date, there was no significant concentration of credit risk. The maximum credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Cash at bank are held with reputable financial institutions.

#### *Liquidity risk*

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

#### *Market risk*

Price risk is the risk that the value of a financial instrument will fluctuate due to change in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

#### *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 may arise majorly on account of foreign currency borrowings.

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



# EW Special Opportunities Advisors LLC

## Notes to the financial statements (*Continued*)

for the year ended 31 March 2021

(Currency : Indian rupees)

### 2.19 Capital commitments

The Company has Rs. Nil (previous year Rs Nil) capital commitments as at the balance sheet date.

### 2.20 Contingent liabilities:

The Company has Rs. Nil (previous year Rs Nil) contingent liabilities as at the balance sheet date.

### 2.21 Capital management

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

**2.22** These Financial statements are Special Purpose Indian Accounting Standards (Ind-AS) Financial statements prepared for the purpose of preparation of consolidated financial statements for the year ended 31 March 2021 for Edelweiss Financial Services Limited Reporting (Ultimate Holding Company) for its reporting of Consolidated audited financial results under Ind-AS Division III of the Companies Act, 2013 ("the Act").

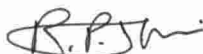
### 2.23 Previous period comparatives

Previous year figure have been regrouped and rearranged whenever necessary.

#### For NGS & Co. LLP

Chartered Accountants

Firm Registration No.: 119850W



R. P. Soni

Partner

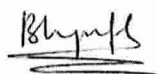
Membership No.: 104796

Mumbai

Date: May 20, 2021



#### For and on behalf of Liquidator



Vijay Bhuguth

Liquidator