Annual Report **2021-22**
Edelweiss Alternative Asset Advisors Limited

Edelweiss
Ideas create, values protect
ALTERNATIVE ASSET ADVISORS

MULTIPLYING OPPORTUNITIES EXPANDING POSSIBILITIES

Across the Pages

MULTIPLYING OPPORTUNITIES **EXPANDING** POSSIBILITIES **by** Connecting Capital to Yield

India is currently witnessing a paradigm shift owing to a unique convergence of steadfast vision, inclusive growth, and enabling policy reforms. The country's focus on infrastructure development, digital transformation, urbanisation, and social upliftment, supported by a visible attempt to embrace good governance practices, has been energising.

At Edelweiss Alternative Asset Advisors (EAAA), we are inspired by what is probably going to be India's game-changing decade and the structural opportunities it will offer for long-term capital to invest in alternative assets. The constraints on traditional lenders like banks and non-banking financial companies to provide wholesale credit and the growth of infrastructure assets in India are compelling investment themes. This, coupled with the mainstreaming of alternatives as an investment class in an environment where investors continue to seek yields, makes this space exciting and attractive. One that offers win-win possibilities for all stakeholders — delivering superior risk-adjusted returns to investors, acting as a conduit for the efficient flow of capital, and enabling sustainable benefits for our communities and ecosystems.

As one of the leading alternative asset manager in the country, we find purpose in Connecting Capital to Yield, sustainably and responsibly. We are excited at the dynamic opportunities that help us in driving growth and maximising value, expanding our horizons and discovering new realms of possibilities!

Message from the Leadership

AuMs of the Alternative Investment Funds registered in India have grown to over ~US$ 80 Bn currently.

Dear Stakeholders,

It gives me immense pleasure to write to you and present the Edelweiss Alternative Asset Advisors' Annual Report for FY 2021-22.

The year gone by was extraordinary and unusual. The unprecedented human suffering and economic turmoil resulting from the second wave of Covid-19 left an indelible mark on all of us. The geopolitical situation in Europe, which continues to prevail, further stoked the uncertainty in the environment. The ramifications of these events are expected to be enduring and reshape the world that we live in. Global central banks have swung into action to counter the mounting inflation and the Reserve Bank of India has followed suit. While some of the large developed economies seem to be heading into a recession, the fundamentals of the Indian economy remain strong.

I believe that India has the right drivers in place to enable future growth – a progressive education system, favourable demographics, and a strong democracy. India's vaccination program with over two billion doses administered so far has been impressive and likely helped to save millions of lives. And while the lesser virulent strains are still keeping us on our toes, there is a sense that we are over the hump as far as the pandemic is concerned and a better tomorrow awaits us. With a prudent use of the limited fiscal and monetary tools available, India is much better placed this time to cope with any potential macro-economic shocks.

The alternative asset management industry in India continues to grow exponentially. The total Assets Under Management (AUM) of the Alternative Investment Funds (AIFs) in India has been growing at a fast clip, and recently crossed US$ 80 Bn. Such investments provide opportunities for long-term patient investors to participate in the India growth story and earn attractive risk-adjusted returns in an environment where public markets are becoming increasingly volatile.

EAAA is one of the leading alternative asset managers in India. We have reached a client base of 50+ institutional investors and 1,000+ ultra high networth individuals. I am grateful to our customers and partners, who have not only trusted us with their money in such uncertain times, but have also been extremely constructive in helping us become a truly global standard asset manager. We acknowledge the responsibilities that come with such trust and faith reposed in us and will endeavour to do our best in all earnestness. The growth so far has been on the back of a strong investment track record, a robust risk management and governance framework, and the ability to nurture the right investment and asset management talent. These attributes have helped us to optimally serve our customers. We are currently raising money for our third special situations fund and the second infrastructure yield fund. Both funds have been received well by offshore as well as domestic investors and our AUMs have now grown to ~US$ 5 Bn.

I take immense pride in the journey that we have traversed so far and am equally excited about the future. Over the last ten years, the India growth story has been largely fuelled by consumption. However, I believe that growth in the coming decade will be largely driven by capital investment. In this macro environment, we continue to foresee a large secular opportunity across all our key product segments.

With banks in India slowly moving away from wholesale lending, we are witnessing an increasing trend of mid-sized operating enterprises approaching us for performing corporate credit. Non-banks — one of the key providers of such funding, are now moving away on account of ALM mismatches. Regulations now constrain mutual funds from operating in this space, as they are not structurally suited to make such long-term investments. All these factors are resulting in increasing deal flows to alternative funds like ours. COVID-19 pandemic had a significant impact on under construction residential real estate projects, where most of the projects got delayed by 12-18 months. This led to a meaningful impact on our portfolio in the real estate credit strategy. We see increasing end-user demand for housing projects that are completed or have visibility of completion. In real estate credit, we are focusing on providing completion finance to projects where the product is tested in the micro-market or where construction is 40-50% complete. In addition, we are also evaluating projects with reputed players that have a strong execution track record.

In our special situations strategy, the existing portfolio continues to perform well after an initial hiccup caused by some plants being shut down on account of COVID and its impact on supply chains. With the support of our customers, we also did our bit in helping these companies during the pandemic. We worked towards the vaccination of employees and their families for our portfolio companies in our special situations fund. As a part of this drive, over 5,000 families directly benefited from our assistance. The deal flow in the special situations strategy continues to be strong as both banks and NBFCs look at sale or resolution of their existing portfolio and to address any asset liability mismatches. We also see demand for primary financing from corporates for last mile financing of projects, acquisition of companies and a one time settlement with their lenders. Buyout of mid-sized stressed companies is also an interesting opportunity in this segment for making good returns with some equity upside.

Our infrastructure yield strategy benefits from the growing need of developers and the Government for monetising their existing operating assets to recycle capital and for fuelling growth. We see the deal flow intensifying, with the Government's US$ 80 Bn National Monetisation Pipeline announced in FY 2021-22. COVID had a minimal impact on our portfolio companies in the infrastructure yield strategy given our focus on quasi government counterparties. Going forward, we are looking to effectively hedge the portfolio against rising inflation by adding assets like toll roads or hybrid annuity roads to the portfolio.

We also continue to evaluate adjacencies that would provide interesting investment opportunities for our customers. While our business continues to evolve, our discipline, ability to think innovatively, and the investments in building both capacity and capability will enable us to remain resilient.

At the same time, our core ethos of creating value for our stakeholders and the communities that we live in, will help us to gradually scale up our business. We are constantly working towards strengthening our ESG governance framework as well as monitoring and reporting capabilities, while seeking to provide positive outcomes and appropriate risk-adjusted returns for our customers. In this endeavour, we expect to become a signatory to the UN Principles of Responsible Investment in the coming financial year. Our renewables portfolio would help to reduce carbon emissions of 13.8 Mn tonnes while over 7,000 kl of water would be saved through the rainwater harvesting system implemented in our roads portfolio during the asset life. Through the completion / construction finance provided through our real estate credit strategy, we are helping build 32,000 homes for mid-income and affordable families in India. Diversity is another key area that we are starting to focus on this year. We are consciously making efforts to improve the gender diversity across all our functions.

In the asset management business, as in other service industries, success is synonymous with a strong, dedicated team and we owe our growth to our people. We have always worked towards enabling an inclusive and lively work atmosphere that will encourage our team to pursue excellence. And it is indeed gratifying to see them seize opportunities and tackle challenges with equal aplomb, as we build an agile, thriving organisation.

Lastly, I would like to thank you again for supporting us in our endeavours. As they say, a journey of a thousand miles begins with a single step. I am proud to share that having taken the right steps thus far, we, as team EAAA, are now ready for the big leap. The multiplying opportunities in India beckon us, which continue to expand the realm of possibilities for our stakeholders!

Yours sincerely,

Venkat

Venkat Ramaswamy

Vice-Chairman, Edelweiss Group

India – a Land of Opportunities

Over the years, India has emerged as one of the fastest-growing emerging economies in the world, boasting a CAGR of 7-8% over the past 30 years. It now offers a growing and thriving environment for investments, both domestic and foreign. The largest youth population in the world, rapid urbanisation, and expanding middle class have been the drivers for consumer demand so far. With a policy thrust on rural areas and farmers, rural India is also emerging as an upcoming market for all types of consumer goods.

A host of Government initiatives have also enabled India's investment growth, which includes developing India's financial system, improving the infrastructure, and relaxing FDI norms. In the last few years, the Government has implemented a wide range of changes to promote inclusive growth and long-term expansion of the economy. Some of these key policy reforms, including the Goods and Services Tax (GST), real estate industry regulation, corporate tax rate reductions, Insolvency and Bankruptcy Code (IBC), among others, are set to propel economic output in the coming years.

New India

67% working population under the age of 35 years[1]

~10-12 Mn people to join the workforce annually, in the next 20 years[2]

675 Mn Indians likely to live in cities by 2035[3]

1 Bn+ smartphone users expected by 2026[4]

107 Indian unicorns with a total valuation of over US$ 340 Bn[5]

Source: 1: OECD (Data as on 2021 | 2: World Economic Forum Report 2019 | 3: United Nations-Habitat's World Cities Report 2022
4: Deloitte's 2022 Global TMT Report | 5: investindia.gov.in

Regulatory Stimulus

Goods & Services Tax
single tax across the nation, removes trade barriers between states

Reduced Corporate Taxes
expected to boost capital investment in manufacturing sectors

RERA and Affordable Housing
aids growth and transparency in the real estate

Insolvency and Bankruptcy Code
faster resolution and recovery of NPAs

Macro challenges notwithstanding, India looks promising

The current global macro-economic environment is challenging given the fears of a recession in the developed world accompanied by rising inflation and interest rates. Further, the prevailing geopolitical instability has raised concerns from an economic and humanitarian perspective. The micro-environment in India, though, has been consistently improving and is being aided by:

- Deleveraged corporate balance sheets and improving capacity utilisation leading to corporate capex
- Improvement in bank's ability to provide credit and enhancement in asset quality
- Low mortgage rates and strong affordability helping revival of residential real estate
- Government focus on capex, improved GST collections, thrust on infrastructure

A strong recovery in corporate capex, revival in residential real estate fuelling household capex and Government focus on key areas like infrastructure development, provide a great mix for future growth and are critical for India's march towards becoming US$ 10 Tn economy by 2035.

Mainstreaming of Alternatives

The AIF industry in India continues to show strong growth in line with the trend seen globally. Overall, commitments to AIFs in India have reached US$ 80 Bn in March 2022.

Alternative investments were once a small fraction of the investment industry, but investor demand for portfolio diversification and need for consistent and long-term returns has brought alternatives to the mainstream. In an increasingly unpredictable and volatile environment, alternatives are becoming a means to earn alpha. Globally, institutional investors are diversifying their portfolios and shifting away from traditional asset classes toward alternatives, given their low correlation with listed equity and debt. With abundant liquidity following the pandemic, long-term investors like pension funds and insurance companies are scouring global markets for yields, and a lot of these funds are hitting the shores of emerging markets, including India.

2022
~US$ 80 Bn*

2016
~US$ 5 Bn*

2012
~US$ 200 Mn*

India Alternatives AUM has increased exponentially over the past 10 years

Global outlook promising with expected Alternative AUM to be **~US$ 23 Tn** over next 5 years

Source: Preqin alternatives 2022 report

Source*: SEBI data as on financial year end, converted at exchange rate as on that date

Major Trends Driving Allocation to Alternatives in India

- **Low/Negative real interest rates** in major geographies across the world
- **Constrained credit** flow from traditional players
- **Significant pool** of stressed assets in India
- **Large scale monetisation** of real assets in India
- **Increasing allocation** to alternatives globally is a strong tailwind

Private Debt in India – A Significant Opportunity

Traditional lenders like banks have become risk-averse and are moving away from wholesale lending, especially to mid-sized corporates. Non-banking finance companies have been shifting their business towards more granular retail lending on account of asset liability mismatches associated with corporate lending. Mutual funds are structurally not suited for structured credit transactions given their open-ended nature. This large void presents a captive opportunity for alternative funds. Credit enforcement, bolstered by the introduction of creditor-friendly 'Insolvency & Bankruptcy Code', has provided a strong foundation for private debt in India. Additionally, economic and administrative reforms fostering a more business-friendly environment, alongside growth initiatives, provide an ideal platform for private debt to maximise its potential.

Operating Infrastructure Assets – A Large Structural play

Private developers in India currently own operating infrastructure assets worth ~US$ 300 Bn[1]. The Government of India has a strong focus on infrastructure development and has launched the US$ 1.5 Tn[2] National Infrastructure Pipeline (NIP) to create infrastructure assets across multiple sub sectors by 2025. Over the next five years, this will create an additional pool of US$ 320 Bn[3] of operating infrastructure assets in the country. Private developers and the Indian Government are looking to monetise such assets to recycle capital and fund future projects. The recently launched National Monetisation Plan (NMP) by the Government aims to monetise operating public assets worth (~US$ 80 Bn) over the next five years. Asset monetisation by private developers and the government presents a large market opportunity of ~US$ 700 Bn for investing in operating infrastructure assets.

Source: 1, 2, 3 : Report of the Task Force National Infrastructure Pipeline (NIP) –Volume I

Expanding the frontiers of Alternative Investing...

Headquartered in Mumbai, Edelweiss Alternative Asset Advisors ('EAAA') is one of the leading alternative asset management platforms in India.

Our decades-rich experience in Indian private debt and real assets helps us provide access to high-quality alternative investment opportunities in India to global investors. Our offices in India and Singapore enable us to serve a wide and diverse range of clientele like global institutional investors, including pension funds, insurance companies, large family offices, and ultra-high net worth individuals.

Our approach, grounded in Environmental, Social and Governance (ESG) principles is aimed at creating long-term value for the society at large – be it through creating and saving jobs, providing homes to mid-income and affordable segments in India, helping the energy transition process through investment in renewable projects as well as providing improved connectivity for Indians through better roads and access to electricity.

FY 2021-22 Performance

₹ 2.16 Bn*
Gross Revenue

₹ 490 Mn*
Profit After Tax

₹ 45 Bn
Total Deployment

₹ 36 Bn
Total Realisation

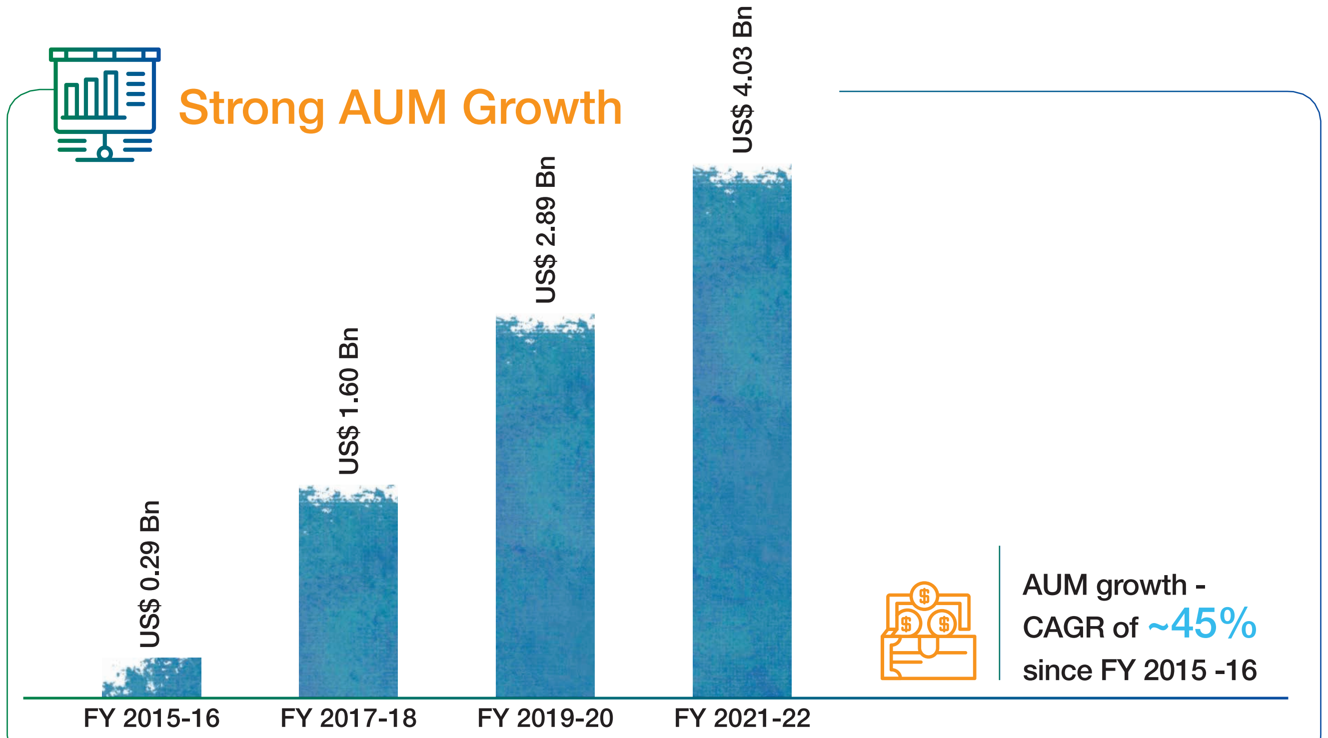
*These are audited numbers as per the financial statement

...with a focus on Connecting Capital to Yield

We provide structured credit solutions to corporates, projects or sponsors, that are relatively underserved by traditional credit providers, for their growth, completion and revival. We invest in, operate and manage quality infrastructure assets by buying such assets from private developers and the government.

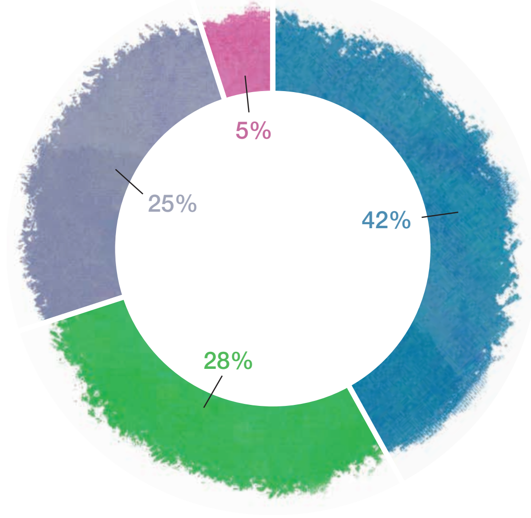
In a world that is searching for yields, we invest in opportunities across private debt and real assets that seek to deliver regular cash flows over the long term.

Strong AUM Growth



AUM growth - CAGR of ~45% since FY 2015 -16

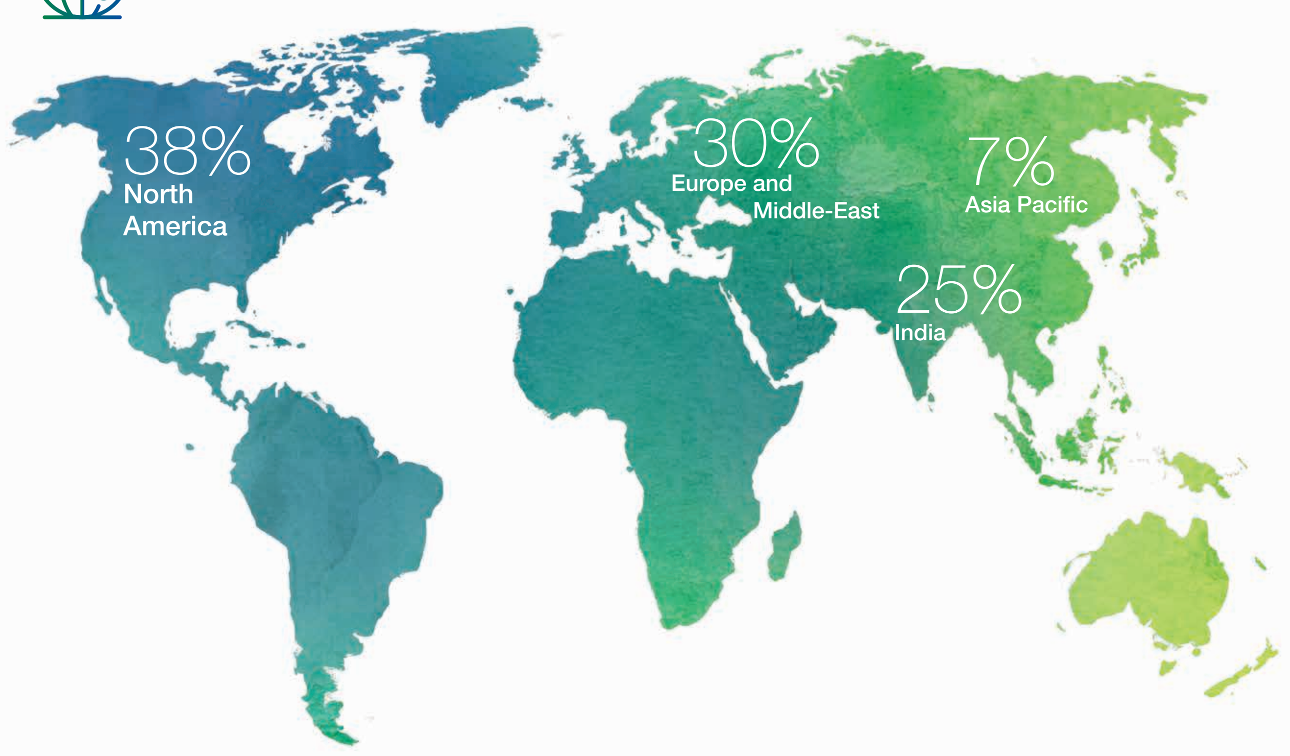
AUM Share by Investor Type



- Pension Funds
- Insurance
- UHNI / Family Offices
- Others

(UHNI - Ultra High Net-Worth Individuals)

AUM Share by Geography



Earning Investor Trust

Featured in the PDI 100 Global Fund Raisers - 2021

Investors across 10+ countries

1,000+ Unique LP relationships

350+ repeat LPs who have invested across strategies

This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

Building a Sustainable Business...

Amongst the first entrants in the Indian private debt space over a decade back when the industry was in its nascency, the EAAA platform has been built on a strong foundation of deep understanding of the Indian market. This, coupled with a keen foresight for identifying long-term and sustainable investment opportunities in India, that can provide attractive risk-adjusted returns to our customers, has seen us grow the platform to scale, offering a breadth of private credit and real asset investment opportunities.

Consistent performance showcased during the last five years

Consistent performance showcased during the last five years

Average annual fund raise of over ₹ 42 Bn

Average annual realisation of over ₹ 32 Bn

Average annual deployment of over ₹ 34 Bn

Business Snapshot

₹ Mn	FY 2020-21	FY 2021-22
Total Income	1,440 Mn	2,160 Mn
PBT	150 Mn	510 Mn
Net Profit	150 Mn	490 Mn
Net worth	1,010 Mn	1,550 Mn
Debt to Equity Ratio	-	0.55

...Through a decadal journey of expanding possibilities

2021 onwards
- Infrastructure Yield
- Performing Credit
- Special Situations
- Real Estate Credit
- Core Credit

2018-20
- Infrastructure Yield
- Performing Credit
- Special Situations
- Real Estate Credit

2015-17
- Performing Credit
- Special Situations
- Real Estate Credit

2010-14
- Performing Credit
- Special Situations

2009
- Started Operations

Our Strategies

At EAAA, each of the four strategies focus on providing a solution addressing a unique structural gap that has been identified in the Indian financial system.

Infrastructure Yield

This strategy helps to free up capital of private developers and the Government looking to monetise their operating infrastructure assets for recycling and growth.

A strong operating team aims to improve the operational and financial efficiency of assets through pro-active and predictive asset management practices and with the use of technology. This helps in improving access to connectivity and electricity through increased availability of our energy and transportation assets. We also invest in renewable energy assets, thus contributing to India's clean energy transition.

Opportunity

- Buying out quality infrastructure assets with long residual life with credible counterparties

~ US$ 75-90 Bn
Addressable Opportunity - 5 years

Special Situations

This strategy aims at investing in situations which a have potential to create value and generate superior risk adjusted returns for investors. The focus is on identifying viable underlying businesses with a strong turnaround potential, asset heavy companies with a positive EBITDA and / or situations where resolution of the asset requires capital as well as domain expertise.

Traditional lenders like banks and non-banking financial companies cannot provide flexible capital and bespoke solutions to companies for special situations like last mile capex, acquisition of companies or where the underlying loans are already under stress. Financial institutions looking for sale / resolution of existing portfolio, non-banking companies looking for capital to align their asset liability mismatch, corporates looking for flexible capital and acquirers looking for leverage buyouts all have requirements of such funds. The strategy helps to create a positive impact on the economy by freeing up capital of financial institutions for lending as well as helping save and create jobs in the underlying companies.

Opportunity

- Flexible capital solutions for corporates looking for Primary Financing
- Acquisition / Acquisition financing of companies through or prior to NCLT
- Super senior credit structures for last mile capex / working capital / liquidity needs
- Buyout of assets / pool of assets from financial institution for purpose of resolution

~ US$ 25-30 Bn
Addressable Opportunity - 5 years

Performing Credit

Corporates and their sponsors often prefer private credit due to the flexible repayment structures and faster execution. Private credit is also preferred to private equity due to lower equity dilution, relatively lower costs, and no loss of operational independence by companies.

Traditional providers of capital like banks, non banks, and mutual funds are constrained either structurally or by regulations from providing structured credit to corporates. The strategy helps in delivering the necessary growth capital to corporates, thus propelling the economy and providing jobs.

Opportunity

- Mid-market corporate lending shifting away from banks
- Flexible funding solutions to corporates for special opportunities like growth, M&A and stake enhancement

~ US$ 25-35 Bn
Addressable Opportunity - 5 years

Real Estate Credit

Increasing urbanisation, a rising middle class, and access to retail credit has led to a secular demand for mid-income and affordable houses in the country. Top 5 cities in India are the epicentres of these trends. Funding to projects is typically provided at a stage where land has been acquired and project approvals are either in place or in cases where there is strong visibility.

Banks in India are constrained by regulations in providing finance for real estate projects. The strategy thus helps in delivering homes to mid-income and affordable segments which are facing a structural housing shortage in India.

Opportunity

- Structured credit for completion and construction of residential real estate projects in the top 5 cities in India

~ US$ 25-35 Bn
Addressable Opportunity - 5 years

Our Strengths Fuelling Our Opportunities

Strong Origination Capabilities

A strong on-ground presence with a 60+ member investment team segregated across the four strategies. This provides us direct access to a large group of corporates, developers, banks, and financial institutions and helps us in sourcing unique deals for our funds.

Unique Structuring Ability

An experienced and stable investment team – all four strategy leads have been with the firm for over 15 years – has helped us to evolve our investment philosophy and strategy. A deep understanding of the Indian legal and regulatory landscape, supported by a strong in-house legal team, enables us to structure bespoke solutions for our investee companies.

Robust Risk Management & Monitoring

Risk management is at the heart of our investment practice. A robust underwriting process based on 3Cs – counterparty, collateral and cash flows – is at the core of our credit risk framework. Our infrastructure strategy has a strong overlay of risk mitigation inherently built in with a focus on acquiring operating infrastructure assets with long term contracts and residual life, low operational complexity and credible counterparties.

Proven Asset Management Expertise

50+ professionals with varying experience and expertise provide a 'Beyond the Numbers' view on our investee companies. The asset management teams are involved in operating our infrastructure assets, turning around stressed companies, and working with the developers on execution and sales of their real estate projects.

Our Technological Imperative

Technology has become an integral part of every business around the globe for improvement in business efficiency, and we are no exception. We are at the forefront of technological initiatives as far as asset management for our infrastructure assets is concerned. We have also integrated technology into our business to enhance the customer experience in investor onboarding and reporting.

Strong Governance Framework

Good governance is the foundation upon which a resilient business is built and a backbone for all financial institutions. We have put in place the necessary policies and procedures at an organisation level. We also have a robust investment process where every deal is evaluated at multiple levels through an independent risk team and experienced investment committees.

Advancing Sustainability through Conscious Decision-Making

ESG Approach at EAAA

Our ESG approach is focused on responsible investment and aimed at generating long term value for our stakeholders. Towards this end, we are planning to become a signatory to the UNPRI during this financial year. Our latest funds in the special situations and infrastructure yield strategy are European Union SFDR Article 8 funds i.e. those that promote, environmental or social characteristics.

At EAAA, ESG is intricately woven into our investment process whereby we endeavour that all pertinent and significant risks, opportunities and other aspects are considered when making an investment decision. Our highly experienced investment teams, along with the risk team work together, to ensure the best possible adherence to:

- Environment, public health and safety, and social issues related to the target portfolio companies
- Respecting the human rights of those affected by EAAA's investment activities and seeking to confirm that EAAA does not invest in companies that utilise child or forced labour
- Encouraging policies in portfolio companies that prohibit bribery and other improper payments to authorities/officials
- Compliance with applicable national, state, and local labour laws in India, including a safe work environment

ESG Policy

The ESG Policy at EAAA is deeply intertwined with our vision and goal as an organisation. The policy is guided by the principles of the UN Global Compact (UNGC) and the UNPRI and directs our performance in areas such as human rights, labour practices, the environment, and governance. It explains how we address ESG issues and how these elements integrate into our investment philosophy, affirming the commitment of our business to a broad range of stakeholders. With the help of this policy, we intend to integrate ESG into operational strategies, policies, and practices and make it a crucial and inextricable part of our long-term, sustainable business success.

We consciously strive to evaluate, monitor, and reduce the ESG risks associated with our investments through our three stage process:

Pre-Investment
- Exclusionary sectors / Negative screening
- Pre-investment ESG assessment through interaction with management, use of publicly available sources and use of external diligence on ESG factors where necessary

Investment
- Strong governance framework with independent inputs from the risk team and investment committee
- Appropriate covenants included in the deal documentation

Post-Investment
- Monitoring progress of the portfolio companies on any corrective action plan as applicable
- ESG Risk Map to track parameters with any material risk being highlighted in regular portfolio reviews

ESG Governance

We recognise the strategic importance of ESG governance and its role in effective decision-making as well as forming internal policies and practices. To ensure all of these, we have set up a robust governance structure for all our ESG-related initiatives. This has been instrumental in our commitment towards creating a long-term direction and strengthening mechanisms for effective monitoring and reporting to stakeholders. Importantly, we believe this will help strengthen ESG awareness within the organisational culture.

ESG Governing Council

Planning of ESG strategy, which will drive short-term initiatives	**Sharing of Best Practices** from global players, insights across other asset managers to guide and influence the ESG practices
Sounding Board for ESG initiatives and to provide direction and guidance on large ESG initiatives	**Periodic Review** of ESG activities

ESG Task Force

- **Identifying and resolving** gaps in existing ESG processes and policies
- **Developing internal tools** and resources that promote awareness and understanding of ESG factors in the organisation, and
- **Guiding and institutionalising** the integration of ESG considerations in the investment process and across the organisation

Creating Sustainable Social Impact

~ ₹ 112 Bn

Invested in revival of stressed assets, of which ₹ **16 Bn** was invested in FY 2021-22

~ ₹ 10,500 Mn

Invested towards renewable energy assets, of which ₹ **1,250 Mn** invested in FY 2021-22

~ ₹ 21,000 Mn

Invested in infrastructure assets, of which ₹ **3,300 Mn** invested in FY 2021-22

~ 32,000

Homes financed in the mid-income and affordable housing space by providing construction/completion funding to residential real estate projects

Providing Finance for Completion of Residential Real Estate Project

One of our portfolio companies is engaged in residential and commercial real estate and hospitality in Bengaluru, having completed projects amounting to 13.7 Mn sq ft till date. They have delivered several marquee projects over the years, including the first gated villa community in the city. However, due to a working capital crunch, their ongoing and ready-to-launch projects came to a standstill. This was further aggravated by the pandemic, which further delayed the project completion.

We provided an amount of ₹ 6,000 Mn required for completion of the project. Additional working capital was also provided for project execution, and CBRE was appointed for cash flow monitoring and sales audits.

Creating Positive Impact

Major ESG activities carried out at the project sites

- Installation of eco STPs, which do not require pumps and blowers, thereby saving energy
- Zero liquid discharge - reusing sewage for flushing and gardening
- Construction of bio-ponds - to collect the overflow from recharge pits
- Treatment of organic waste and responsible disposal of inorganic waste
- Provision of labour sheds for construction workers and creche facilities for their children
- Vaccination drives and regular health check-ups on site
- Institution of Environment, Health, and Safety Policy
- Site-specific Emergency Preparedness and Response Plan
- Institution of Quality Management System, Environmental Management System, and Occupational Health and Safety Management System

₹ 6,000 Mn

Completion finance provided to real estate project in Bengaluru

344 housing units

financed in the project

Energising Sustainable Future Growth

As a responsible corporate, we have always regarded renewable energy as a major propellent of India's clean energy transition. In line with this thought, we have acquired the energy portfolio of 12 solar assets spread across five different states. Sekura Energy, which is the holding entity for these assets, is 100% owned by our Edelweiss Infrastructure Yield Plus Fund (EIYP). Sekura Energy supplies around 84% of its generated power to Central Government counterparties like the National Thermal Power Corporation and the Solar Energy Corporation of India.

The renewable energy portfolio, comprising a total of 813 MWDC of operating solar energy capacity, has been acquired under a Power Purchase Agreement (PPA) with asset duration of 25 years. The average residual life of the portfolio is over 22 years.

13.8 Mn tonnes
Carbon displacement though the asset life of our current energy portfolio

Creating Positive Impact

The projects provide sustainable, low-cost and pollution-free energy, and are designed to drive progress on India's target of achieving 450 GW of renewable energy capacity by 2030.

25,000 kl
of water savings per year with robotic cleaning of the assets

Infrastructure Yield Strategy holds its Energy Assets through Sekura Energy & Road Assets through Sekura Roads. These companies along with their underlying subsidiaries and affiliates, are ISO 27001, ISO 14001 and ISO 45001 certified

BRITISH SAFETY COUNCIL
International Safety Awards 2022 Merit

DMTCL, one of the transmission assets of Sekura Energy in Bihar, has been awarded an International Safety Award by the British Safety Council

Bridging India's North-Eastern Gaps

Long standing poor connectivity of North-East India has posed a great challenge for the area to attain comprehensive economic growth. We have acquired two road assets in the North East held through Sekura Roads, which are 100% owned by our first infrastructure yield fund. This will help us to contribute towards the development of this region.

~60 kms
road assets held by Sekura Roads

Creating Positive Impact

With the help of these road assets, we intend to integrate the region even more cohesively with the rest of India. With targeted interventions in the form of road safety measures, including signage and training sessions, the transformation will involve reducing the economic and social development gap in the region. In response to the problem of stray cattle, which endangers commuters' safety, we have also launched a cow protection campaign, which includes education workshops for the local population. With the help of these road assets, we intend to integrate the region even more cohesively with the rest of India.

7,340 kl
of water saved during the asset life through rain water harvesting schemes implemented for our road portfolio

Our two road projects received **Gold** and **Silver** awards for **'Outstanding Work in Challenging Conditions'** by the Ministry of Road Transport & Highways (MoRTH), Government of India

Statutory Reports

Corporate Identity Number: U67190MH2008PLC182205

Financial Statement for the year ended March 31, 2022

BOARD OF DIRECTORS

Mr. Sushanth Nayak
Ms. Kamala Kantharaj
Mr. Kanu Doshi
Mr. Sunil Phatarphekar

CHIEF FINANCIAL OFFICER

Mr. Hemal Mehta

COMPANY SECRETARY

Mr. Deepak Mukhija

STATUTORY AUDITORS

GMJ & Co, Chartered Accountants

REGISTERED OFFICE

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Corporate Identity No.: U67190MH2008PLC182205
Tel: +91 22 4009 4400
Fax: +91 22 4086 3759

CONTACT DETAILS OF THE DEBENTURE TRUSTEE:

Catalyst Trusteeship Limited
Windsor, 6th Floor, Office No.604
C.S.T. Road, Kalina, Santacruz (East)
Mumbai - 400098
Tel No.: +91 022 4922 0555
Email ID: ComplianceCTL-Mumbai@ctltrustee.com
Website: www.catalysttrustee.com

CONTACT DETAILS OF THE REGISTRAR AND TRANSFER AGENT:

Link Intime India Private Limited
C-101,1st Floor, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli West, Mumbai – 400083
Tel No.: +91 22 49186270
Fax No.: +91 22 49186060
Email ID: amit.dabhade@linkintime.co.in
Website: linkintime.co.in

***Note:** For disclosures required under Regulation 53 (f) read with Part A of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, kindly refer to page no. 58 to 64 - Note 49 - Disclosure as required by IND AS 24– Related Party Disclosure.*

Board's Report

To the Members of
Edelweiss Alternative Asset Advisors Limited,

The Directors present their 14th Annual Report on the business, operations and the state of affairs of Edelweiss Alternative Asset Advisors Limited (the **"Company"**) together with the audited financial statements for the year ended March 31, 2022:-

FINANCIAL SUMMARY/ HIGHLIGHTS

(₹ in Million)

Particulars	2021-2022	2020-2021
Total income	2,159.80	1,444.54
Total Expenses	1,653.94	1,296.02
Profit/(Loss) Before Tax	505.86	148.52
Tax Expenses/(Benefit)	-	-
Profit/(Loss) for the year	489.32	153.94
Other Comprehensive Income		
Re-measurement gain on defined benefit plans	(52.14)	6.74
Total Comprehensive Income	485.41	158.99
Opening Balance		
Loss carried forward	(212.18)	(371.17)
Surplus carried to Balance Sheet	321.32	(212.18)

OPERATIONS

The brief on state of business of the Company during the year under the review is included in the Management Discussion and Analysis section of the report.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

During the year ended March 31, 2022, the Company earned the revenue of ₹ 2159.80 Million as against ₹ 1444.54 Million during the previous year. The Company earned the profit of ₹ 489.32 Million during the year ended March 31, 2022 as against ₹ 153.94 Million during the previous year.

SHARE CAPITAL

The authorised share capital of the Company is ₹ 23,00,00,000/- comprising of 2,30,00,000 Equity Shares of ₹ 10/- each and issued, subscribed and paid-up share capital of the Company as on March 31, 2022 is ₹ 12,37,47,370/- consisting of 1,23,74,737 Equity Shares of ₹ 10/- each.

DIVIDEND

The Board of Directors of your Company, after considering holistically the relevant circumstances and with a view to conserve the Company's resources, has decided that it would be prudent, not to recommend any Dividend for the year under review.

DEPOSITS

The Company did not accept any deposits within the meaning of section 73 of the Companies Act, 2013 and rules made thereunder and, as such, no amount of principal or interest was outstanding, as on the date of Balance Sheet.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

RISK MANAGEMENT & INTERNAL FINANCIAL CONTROL

The Company has adopted comprehensive risk management policy and procedures for its business of investment management of the funds operating within the alternate assets domain. Under these policies and procedures, the risk analysis is done at the time of doing any transactions as well as on periodic intervals.

The Board of Directors confirms that your Company has laid down set of standards, processes and structure which enables to implement Internal Financial controls across the organisation with reference to Financial Statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

IMPACT OF COVID-19 PANDEMIC

COVID-19 had been declared as a pandemic and it had restricted and disrupted regular function of work. During those time, the Company had put a framework for work from home for its employees. Subsequently, with situation coming under control, the partial work from office has been started with work from home. The Company is fully functionally through the aforementioned means.

The Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at March 31, 2022. Since the revenue of the Company is ultimately dependent on the value of the assets it manages, changes in market conditions and the trend of flows into alternate funds may have an impact on the operations of the Company. Basis the assessment, the management does not, at this juncture, believe that the impact on the value of the Company's assets or its operations is likely to be material.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

1) **APPOINTMENT**

Mr. Sushanth Nayak (DIN: 02857645) was appointed as an additional Director of the Company and designated as the Whole Time Director of the Company with effect from March 01, 2022.

The approval of the Members of the Company is sought for re appointment of Mr. Nayak as a Director at the forthcoming Annual General Meeting of the Company.

The Members' approval is also being sought to confirm the appointment of Mr. Nayak as Wholetime Director of the Company.

2) **RESIGNATION**

- Mr. Suresh Soni had ceased to be the Managing Director of the Company w.e.f. May 28, 2021.
- Mr. Hemant Daga had ceased to be the Executive Director of the Company w.e.f. January 05, 2022.

3) **KEY MANAGERIAL PERSONNEL (KMP)**

In terms of the provisions of Section 203 of the Companies Act, 2013, Mr. Sushanth Nayak (DIN: 02857645), Whole-Time Director, Mr. Deepak Mukhija, Company Secretary and Mr. Hemal Mehta, Chief Financial Officer, are the Key Managerial Personnel of the Company.

4) **DIRECTOR RETIRING BY ROTATION**

Ms. Kamala Kantharaj (DIN: 07917801), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered herself for re-appointment.

DECLARATION FROM INDEPENDENT DIRECTORS

The Board has received declarations from the Independent Directors as per the requirement of Section 149(7) of the Companies Act, 2013 and the Board is satisfied that the Independent Directors meet the criteria of independence as mentioned in Section 149(6) of the Companies Act, 2013. All the Independent Directors of the Company have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the provisions of sub rule (1) and (2) of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 with respect to registration with the Indian Institute of Corporate Affairs for the Independent Directors' Data base and have passed the proficiency test or are exempted from the same.

BOARD AND COMMITTEE MEETINGS

BOARD

During the FY 2021-22, 5 (Five) meetings of the Board of Directors were held.

AUDIT COMMITTEE

The Audit Committee consists of Mr. Kanu Doshi, Mr. Sunil Phatarphekar and Ms. Kamala Kantharaj.

During the year under review, 4 (Four) meetings of the Committee were held.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee consist of Mr. Kanu Doshi, Mr. Sunil Phatarphekar and Ms. Kamala Kantharaj.

During the year under review, 1 (One) meeting of the Committee was held.

POLICY ON REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company has adopted a Remuneration Policy for the remuneration payable to the Independent Directors, Non-executive Directors, Managing Director/Executive Directors, KMPs, and other Senior level employees of the Company. The said Remuneration Policy is available on the Company's website and can be accessed at https://www.edelweissalternatives.com/wp-content/uploads/2022/03/Remuneration-Policy-EAAA-1.pdf

LOANS, INVESTMENTS AND GUARANTEES

The particulars of loans given and investments made by the Company are provided in the financial statement. The details of the investments are also given in the notes of the financial statement attached to this report.

RELATED PARTY TRANSACTIONS

All the Related Party Transactions entered by the Company are on arm's length basis and in the ordinary course of business. Particulars of contracts or arrangements with the related Parties as referred to in sub-section (1) of Section 188 and forming part of this report is provided in the financial statement. All the Related Party Transactions as required under Ind AS 24 are reported in the Notes to the financial statements.

The requisite particulars of the contracts/arrangements/transactions entered into by the Company with related parties are disclosed in Form No. AOC -2 (Annexure – I).

INFORMATION REQUIRED UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has framed a Policy on Prevention of Sexual harassment at workplace (the Policy). During the year under review, no cases were reported under the Policy. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS:

The Company is leading alternate assets manager in the business of managing and advising funds across the following asset classes namely (a) Real Estate (b) Infrastructure Yield (c) Performing Credit (d) Special Situations. It is amongst select alternate asset managers in India to be present across these four asset classes and managing large number of active funds in these asset classes.

During the year, Company has received new capital commitments of around ₹ 1,725 Crore. The aggregate alternate assets managed / advised by the Company as on March 31, 2022 were ₹ 33,965 Crore.

During the year under review, Fee income from the business of investment management was ₹ 201.70 Crore for the financial year ended March 31, 2022 as compared to ₹ 141.84 Crore for the previous financial year. The earnings per share of the Company were ₹ 25.96 per share for the financial year ended March 31, 2022 as compared to ₹ 59.35 per share during the previous financial year.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

As per the provisions of section 135 of the Companies Act, 2013 and rules made thereunder, the Company was not required to spend any amount on CSR activities during the Financial Year 2021-22.

Based on the Profits for the FY 2021-22, the provisions relating to the CSR would become applicable effective from the Current Financial Year. Your Company recognises that the CSR initiatives bring about a positive change in the lives of the communities and hence is geared up to undertake CSR activities as per the provisions applicable to the Company.

ANNUAL RETURN

Pursuant to the amendments to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return (Form MGT-7) for the financial year ended March 31, 2022, shall be available on the Company's website and can be accessed at www.edelweissalternatives.com.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

A. CONSERVATION OF ENERGY

i) the steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.

ii) the steps taken by the Company for utilizing alternate source of energy – though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.

iii) the capital investment on energy conservation equipment; Nil

B. TECHNOLOGY ABSORPTION

(i) the efforts made towards technology absorption - The minimum technology required for the business has been absorbed.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development: Not Applicable

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo during the year under review were ₹ 323.61 Million (previous year ₹ 200.57 Million) and ₹ 4.92 Million (previous year ₹ 3.09 Million) respectively.

AUDITOR'S REPORT

The Auditor's Report on Audited Financial Statements for the Financial Year ended March 31, 2022 issued by M/s. GMJ & Co., Chartered Accountants, Mumbai (FRN 103429W) Statutory Auditors of the Company is self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer.

During the year under review, the Statutory Auditors have not reported any incident of fraud to the Board of Directors.

AUDITORS

The Members at the 10th Annual General Meeting of the Company held in 2018 had appointed M/s. GMJ & Co., Chartered Accountants, as the Auditors of the Company till the conclusion of the 15th Annual General Meeting of the Company to be held in the year 2023.

COMPLIANCES AS TO SECRETARIAL STANDARDS

The Company has complied with the provisions of Secretarial Standards i.e. Secretarial Standard-1 and Secretarial Standard-2 applicable to the Company, during the Financial Year 2021-22.

EMPLOYEES

The Company recognises that human capital is the key to success and growth in the Company's business. As on March 31, 2022, the Company has 158 employees.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013 (the Act), the Board of Directors confirm that:-

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the financial year ended on that date;

(iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) the annual accounts have been prepared on a going concern basis; and

(v) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENTS

The Board of Directors wish to acknowledge the continued support extended and guidance given by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Banks, government authorities and other stakeholders. The Board would like to acknowledge the support of its clients and members. Your Directors would also like to take this opportunity to express their appreciation for the, dedicated efforts of the employees of the Company.

For and on behalf of the Board of Directors
Edelweiss Alternative Asset Advisors Limited

Kamala Kantharaj	**Sushanth Nayak**
Director	Whole Time Director
DIN:07917801	DIN: 02857645

Date: April 29, 2022

Annexure I

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto:

(Currency: Indian rupees in Millions)

Details of contracts or arrangements or transactions not at arm's length basis: Nil

Sr. No.	Name(s) of the related party and nature of Relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1	Sekura India Management Limited - Fellow Subsidiary Company	Trademark License	License continues unless terminated by the Company	1. License shall be used only for lawful business purposes 2. Shall continue to be in force unless expressly revoked 3. In the event the Licensee commits breach of any of the terms of this Agreement and such breach, if in the opinion of the Owner, is (i) not remediable; or (ii) remediable, but not remedied by the Licensee within a period of thirty (30) days of receipt of a written notice in that behalf from the Owner, the Owner may terminate this Agreement forthwith by a written notice	-	February 25, 2022	NA	NA

Annexure I (Cont...)

II. **Details of material contracts or arrangement or transactions at arm's length basis: None**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (₹ in Million)	Date of approval by the Board	Amount paid as advances, if any
1						
2						
3						
4						
5						
6						
7						
8						

For and on behalf of the Board of Directors
Edelweiss Alternative Asset Advisors Limited

Kamala Kantharaj	**Sushanth Nayak**
Director	Whole Time Director
DIN:07917801	DIN: 02857645

Date: April 29, 2022

Annexure

REMUNERATION POLICY

Edelweiss Alternative Asset Advisors Limited

OBJECTIVE

The Companies Act, 2013 ('the Act') and the Rules framed there under requires a Company to frame policy for determining the remuneration payable to the Directors, Key Managerial Personnel (KMPs) and other employees. While appointing the Directors, the Nomination and Remuneration Committee ('the Committee') considers qualification, positive attributes, areas of expertise, gender diversity and number of Directorships in other companies and such other factors as it may deem fit. The Board considers the Committee's recommendation and takes appropriate action.

The objective of the Remuneration Policy (the Policy) of the Company is to provide a framework for the remuneration of the Independent Directors, Non-executive Directors, Managing Director/Executive Directors, KMPs, and other Senior level employees of the Company.

The primary objective of the Policy is to ensure that:

i. the level and composition of remuneration is reasonable and sufficient to attract and retain talent required to run the Company successfully;

ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii. remuneration to the Directors, KMPs and senior management comprises a balance fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Remuneration of the Independent Directors & Non-executive Directors

- The Independent Directors & Non-executive Directors will be eligible for sitting fees for attending the meetings of the Board and the Committees thereof.
- The Independent Directors & Non-executive Directors may also be eligible for commission, subject to limits prescribed under the Act and the Rules framed thereunder.
- The Independent Directors are not eligible for stock options of the Company or a holding company.
- The Non-executive Directors shall be eligible for stock options of the Company or a holding company.

Remuneration of the Managing Director and Executive Directors

- The remuneration of the Managing Director/Executive Directors is recommended by the Nomination and Remuneration Committee ('the NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the remuneration of the Managing Director/Executive Directors, subject to necessary approvals, if any.
- The remuneration paid to the Managing Director/ Executive Directors is within the limits prescribed under the Act and approved by the shareholders of the Company. The remuneration structure includes fixed salary, perquisites, bonus, other benefits and allowances and contribution to Funds, etc.
- The Managing Director/Executive Directors shall be eligible for stock options of the Company or a holding company.

Remuneration of the KMP (other than Managing Director/ Executive Director) and Senior level employees

- The key components of remuneration package of the KMP (other than Managing Director & Executive Director) and Senior level employees shall comprise of fixed salary, perquisites, annual bonus, other benefits and allowances and contribution to Funds, etc.
- They shall be eligible for stock options of the Company or the Holding Company.

Performance Management Process

The Company has a Performance Management & Review process commensurate to the size and operations of the Company, which forms the basis of Compensation Review. The formal Performance Review Process is undertaken once in a year and Performance evaluation for the employees is largely based on their overall performance for last financial year along with their competency displayed and their potential.

Edelweiss Code of Conduct and the Guiding Principles

- The employees must conduct themselves according to the Edelweiss Code of Conduct and the Guiding Principles.
- Any such breach will attract appropriate disciplinary action and may have a direct bearing on their performance appraisal and rewards.

Policy Review

- The Policy may be amended as may be necessary.
- The NRC shall implement the Policy, and may issue such guidelines, procedures etc. as it may deem fit.

Financial Statements

Corporate Identity Number: U67190MH2008PLC182205

Independent Auditor's Report

To the Members of Edelweiss Alternative Asset Advisors Ltd.

REPORT ON THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

OPINION

We have audited the accompanying Ind AS financial statements of Edelweiss Alternative Asset Advisors Ltd. ("the Company"), which comprise the Balance sheet as at March 31, 2022, 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 Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2022, 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 Ind AS 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 Ind AS 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 (the 'ICAI') 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 Ind AS financial statements.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITIES FOR THE IND AS FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are 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 Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about

Independent Auditor's Report (Contd.)

whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, 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 Ind AS 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) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

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

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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;

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

      iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 58.9(A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;

      b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 58.9(B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. No dividend has been declared or paid during the period by the Company.

For GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W

Haridas Bhat
Partner
Membership No.:39070

UDIN:

Place: Mumbai
Date: May 11, 2022

Annexure A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Alternative Asset Advisors Ltd. ('the Company') on the financial statements for the year ended March 31, 2022, we report that:

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(a)(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, there is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report under clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2022.

(e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii)(a) of the Order are not applicable to the Company.

(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of ` five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) (a)(A)During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to its subsidiaries, joint ventures and associates.

(B) During the year, the Company has provided loans aggregating to ` 13,15,00,000 to three companies other than its subsidiaries, joint ventures and associates and the balance outstanding as at the balance sheet date with respect to such loans is ` 11,00,00,000. Further as per the information and explanations given to us by the management, the Company has not granted advances in nature of loans or given any guarantee or provided any security during the year to parties other than its subsidiaries, joint ventures and associates.

(b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans during the year to companies and other parties are not prejudicial to the Company's interest. Further as per the information given by the management the Company has not provided any guarantees or not given any security.

(c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has granted loan during the year to its holding company, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, there are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) In our opinion and according to the information and explanations given to us, there were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company:

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, investments in respect of which the provisions of section 186 of the Companies Act 2013 are applicable have been complied with by the Company.

(v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) To the best of our knowledge and as explained by the management of the Company, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to employees' state insurance, sales tax, service tax, duty of excise, duty of custom, value added tax and cess are currently not applicable to the Company

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of income tax, provident fund, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute The provisions relating to employees' state insurance, sales tax, service tax, duty of excise, duty of custom, value added tax and cess are currently not applicable to the Company.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which loans were obtained.

(d) In our opinion and on an overall examination

Annexure A to the Auditors' Report (Contd.)

of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company

(x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company we report that no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company

(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.

(xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 58.8 to the financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

(b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

(xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W

Haridas Bhat
Partner
Membership No.:39070

UDIN:

Place: Mumbai
Date: May 11, 2022

Annexure B to the Auditors' Report

Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Alternative Asset Advisor Ltd. ("the Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Edelweiss Alternative Asset Advisor Ltd.** ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS 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, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS 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 as specified under section 143(10) of the Companies Act, 2013, 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 STANDALONE IND AS FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS 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 standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS 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 standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2022, 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 GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W

Haridas Bhat
Partner
Membership No.:39070

UDIN:

Place: Mumbai
Date: May 11, 2022

Standalone Balance Sheet

(Currency: Indian rupees in lakhs)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non current assets			
Property, plant and equipment	7	85.53	76.80
Other intangible assets	7	102.05	113.90
Intangible assets under development	8	6.40	13.20
Financial assets			
(i) Investments	9	10,989.79	207.17
(ii) Loans	10	-	26.07
(iii) Other financial assets	11	12.20	11.30
Current tax assets (net)	12	1,128.15	451.48
Deferred tax assets (net)	13	-	93.50
Other Non current assets	14	4,416.87	3,503.97
		16,740.99	4,497.39
Current assets			
Financial assets			
(i) Cash and cash equivalents	15	466.02	1,510.34
(ii) Bank balances other than cash and cash equivalents	16	110.56	-
(iii) Trade receivables	17	5,902.10	607.50
(iv) Investments	18	5,741.45	1,751.86
(v) Loans	19	1,111.29	2,501.16
(vi) Other financial assets	20	458.83	374.41
Current tax assets (net)	21	421.74	676.50
Other current assets	22	1,007.93	743.29
		15,219.92	8,165.06
TOTAL ASSETS		31,960.91	12,662.45
EQUITY AND LIABILITIES			
Equity			
Equity share capital	23.1	1,237.47	1,237.47
Instruments entirely equity in nature	23.2	11,000.00	11,000.00
Other equity		3,213.17	(2,121.86)
		15,450.64	10,115.61
LIABILITIES			
Non current liabilities			
Provisions	24	280.93	147.76
Financial liabilities			
Borrowings (other than debt securities)	25	5,150.00	-
Lease Liability	26	6.20	20.98
Other financial liabilities	27	608.04	-
Deferred tax liability (net)	13	58.77	-
Other non current liabilities	28	94.41	111.63
		6,198.35	280.37
Current liabilities			
Financial liabilities			
(i) Borrowings	29	3,336.43	57.04
(ii) Trade payables			
(a) total outstanding dues of small enterprises and micro enterprises	30	-	0.61
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	30	2,367.45	288.98
(iii) Lease Liability	31	13.70	11.20
(iv) Other financial liabilities	32	3,863.49	1,447.08
Provisions	33	22.87	13.29
Other current liabilities	34	707.98	448.28
		10,311.92	2,266.47
TOTAL EQUITY AND LIABILITIES		31,960.91	12,662.45
Significant accounting policies and notes forming part of the financial statements	1-58		

Summary of significant accounting policies

For **GMJ & Co.**
Chartered Accountants
Firm's Registration No.: 103429W

Haridas Bhat
Partner
Membership No: 039070

Mumbai
April 29, 2022

For and on behalf of the Board of Directors

Kamala Kantharaj
Director
DIN.: 07917801

Sushanth Nayak
Whole Time Director
DIN.: 02857645

Hemal Mehta
Chief Financial Officer

Deepak Mukhija
Company Secretary

Mumbai
April 29, 2022

Standalone Statement of Profit and Loss

(Currency: Indian rupees in lakhs)

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
REVENUE FROM OPERATIONS			
Interest income	35	374.36	155.45
Revenue from contract with customers	36	20,169.58	14,184.37
Net gain on fair value changes	37	969.15	46.40
Other income	38	84.90	59.16
Total Revenue		21,597.99	14,445.38
Expenses			
Finance costs	39	1,004.52	1,134.81
Impairment on financial instruments	40	(0.25)	0.45
Employee benefits expense	41	10,053.19	6,719.86
Depreciation, amortisation and impairment	7	142.93	251.21
Other expenses	42	5,339.02	4,853.89
Total expenses		16,539.41	12,960.22
Profit before tax		5,058.58	1,485.16
Tax expenses	43		
Current Tax		-	-
Deferred tax		165.40	(54.28)
Profit for the year		4,893.18	1,539.44
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurement gain on defined benefit plans		(52.14)	67.40
Tax effect on measurement gain on defined benefit plans (OCI)		13.12	(16.97)
Total		(39.02)	50.43
Other Comprehensive Income		(39.02)	50.43
Total Comprehensive Income		4,854.16	1,589.87
Earnings per equity share (face value ₹ 10 each):			
Basic	44	25.96	59.35
Diluted	44	25.96	59.35
Significant accounting policies and notes forming part of the financial statements	1-58		

This is the Statement of profit and loss referred to in our report of even date

For **GMJ & Co.**
Chartered Accountants
Firm's Registration No.: 103429W

Haridas Bhat
Partner
Membership No: 039070

Mumbai
April 29, 2022

For and on behalf of the Board of Directors

Kamala Kantharaj
Director
DIN.: 07917801

Sushanth Nayak
Whole Time Director
DIN.: 02857645

Hemal Mehta
Chief Financial Officer

Deepak Mukhija
Company Secretary

Mumbai
April 29, 2022

Cash Flow Statement

(Currency: Indian rupees in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	5,058.58	1,485.16
Adjustments for		
Depreciation and amortisation expenses	142.93	251.21
Impairment of financial instruments	(0.25)	0.45
Provision for compensated absences	80.29	(12.92)
Expense on Employee Stock Option Scheme & Stock Appreciation Rights	480.88	-
Profit on sale of fixed assets	(4.43)	(0.05)
Finance cost on lease liability	2.84	2.25
Net gain on fair value changes	(941.81)	(46.40)
Interest income	(374.36)	(151.28)
Finance cost	713.88	1,131.72
Operating cash flow before working capital changes	5,158.55	2,660.14
Add / (less): Adjustments for working capital changes		
(Increase)/Decrease in trade receivables	(5,294.60)	2,204.36
Decrease/(increase) in loans and advances	26.07	(2,516.93)
(Increase)/Decrease in other financial assets	(85.32)	76.79
(Increase)/Decrease in other non financial assets	(912.90)	264.63
Increase in other current assets	(264.64)	(125.47)
(Decrease)/increase in trade payables	2,077.86	(346.18)
Increase in provisions	10.32	129.96
Increase in other financial liabilities	2,416.41	(14.50)
Decrease/(Increase) in other non current liabilities	608.04	1,195.69
Decrease/(Increase) in other current liabilities	242.47	(301.57)
Cash generated from operations	(1,176.30)	566.78
Income tax paid/refund	(421.63)	154.20
Net cash generated from operating activity - A	3,560.62	3,381.12
B. CASH FLOW FROM INVESTING ACTIVITIES		
Amount received on capital redemption & Sale of investments	25,073.42	6,528.39
Purchase of Investment	(28,691.55)	(8,247.93)
Purchase of Property, plant & equipment and intangible assets	(145.11)	(88.72)
Capital expenditure towards development of intangible assets	6.40	(13.20)
Sale of Property, plant & equipment and intangible assets	9.71	2.07
Income received on investments	-	42.05
Investment in NCD	(10,212.74)	-
Net cash used in investing activities - B	(13,959.87)	(1,777.34)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Borrowings and deposit taken	8,500.00	954.30
Repayment of borrowings & deposits	(61.93)	(12,153.54)
Loan and deposits given	(1,315.00)	-
Repayment towards Loan and deposit given	2,715.00	-
Proceeds from Issue of compulsory convertible debentures	-	11,000.00
Proceeds from fresh issue of equity shares	-	1,000.00
Interest paid (including interest paid on inter corporate deposits)	(722.54)	(1,125.88)
Principal repayment of leases (Ind AS 116)	(12.28)	(6.57)
Finance cost paid (IND AS 116)	(2.84)	(2.25)
Interest received	365.07	149.67
Net cash generated from/(used in) financing activities - C	9,465.48	(184.27)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(933.76)	1,419.51
Note :		
Cash and cash equivalents as at the beginning of the year	1,510.34	90.83
Cash and cash equivalents as at the end of the year	576.58	1,510.34
Cash and cash equivalents as at the end of the year		
Balance with Banks - in Current accounts	466.02	1,510
Balance with Banks - in escrow accounts	54.96	-
Fixed deposits with Banks	55.60	-
	576.58	1,510

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

For **GMJ & Co.**
Chartered Accountants
Firm's Registration No.: 103429W

Haridas Bhat
Partner
Membership No: 039070

Mumbai
April 29, 2022

For and on behalf of the Board of Directors

Kamala Kantharaj
Director
DIN.: 07917801

Sushanth Nayak
Whole Time Director
DIN.: 02857645

Hemal Mehta
Chief Financial Officer

Deepak Mukhija
Company Secretary

Mumbai
April 29, 2022

Statement of Changes in Equity

(Currency: Indian rupees in lakhs)

(A) EQUITY SHARE CAPITAL

Balance at the beginning of the reporting period (April 1, 2020)	Changes in equity share capital (refer note 23.1)	Balance at the end of the reporting period (March 31, 2021)	Changes in equity share capital (refer note 23.1)	Balance at the end of the reporting period (March 31, 2022)
237.47	1,000.00	1,237.47	-	**1,237.47**

(B) INSTRUMENTS ENTIRELY EQUITY IN NATURE

Balance at the beginning of the reporting period	Changes during the year (refer note 23.2)	Balance at the end of the reporting period (March 31, 2021)	Changes during the year (refer note 23.2)	Balance at the end of the reporting period (March 31, 2022)
-	11,000.00	11,000.00	-	**11,000.00**

(C) OTHER EQUITY

	Reserves and Surplus			
	Securities premium	Share Option Reserve	Retained earnings	Total
Balance at March 31, 2020 (Ind AS)	**1,191.12**	**308.95**	**(5,211.80)**	**(3,711.74)**
Profit for the year	-	-	1,539.44	1,539.44
Remeasurement gain / loss on defined benefit plans (OCI)	-	-	50.43	50.43
Balance at March 31, 2021 (Ind AS)	**1,191.12**	**308.95**	**(3,621.93)**	**(2,121.87)**
Reversal of ESOP/SAR reserve on account of lapses/cancellation post vesting.			480.88	480.88
Profit for the year	-	-	4,893.18	4,893.18
Other comprehensive income for the year	-	-	(39.02)	(39.02)
Balance at March 31, 2022 (Ind AS)	**1,191.12**	**308.95**	**1,713.11**	**3,213.17**

(i) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) 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.

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

For **GMJ & Co.**
Chartered Accountants
Firm's Registration No.: 103429W

Haridas Bhat
Partner
Membership No: 039070

Mumbai
April 29, 2022

For and on behalf of the Board of Directors

Kamala Kantharaj
Director
DIN.: 07917801

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Mumbai
April 29, 2022

Statement of Changes in Equity for the year ended March 31, 2022 (Contd.)
(Currency: Indian rupees in lakhs)

(A) EQUITY SHARE CAPITAL

Balance at the beginning of the reporting period (April 1, 2019)	Changes in equity share capital (refer note 23.1)	Balance at the end of the reporting period (March 31, 2020)	Changes in equity share capital (refer note 23.1)	Balance at the end of the reporting period (March 31, 2021)
237.47	-	237.47	1,000.00	**1,237.47**

(B) INSTRUMENTS ENTIRELY EQUITY IN NATURE

Balance at the beginning of the reporting period	Changes during the year	Balance at the end of the reporting period (March 31, 2020)	Changes during the year (refer note 23.2)	Balance at the end of the reporting period (March 31, 2021)
-	-	-	11,000.00	**11,000.00**

(C) OTHER EQUITY

	Reserves and Surplus			
	Securities premium	Share Option Reserve	Retained earnings	Total
Balance at March 31, 2019 (Ind AS)	**1,191.12**	**308.95**	**(6,999.46)**	**(5,499.39)**
Profit for the year	-	-	1,779.87	1,779.87
Remeasurement gain / loss on defined benefit plans (OCI)	-	-	7.79	7.79
Balance at March 31, 2020 (Ind AS)	**1,191.12**	**308.95**	**(5,211.80)**	**(3,711.73)**
Profit for the year	-	-	1,539.44	1,539.44
Other comprehensive income for the year	-	-	50.43	50.43
Balance at March 31, 2021 (Ind AS)	**1,191.12**	**308.95**	**(3,621.93)**	**(2,121.86)**

(i) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) 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.

Notes to the financial statements

(Currency: Indian rupees in lakhs)

1 BACKGROUND

Edelweiss Alternative Asset Advisors Ltd. ('the Company') is registered a Company incorporated in India on May 14, 2008. Its is a subsidiary of Edelweiss Securities And Investments Pvt. Ltd., a Company incorporated in India.

The ultimate holding company is Edelweiss Financial Services Ltd., which is incorporated in India

The Company is an Investment Manager to Alternative Investment Funds and also provides non-binding advisory services to certain offshore funds under Edelweiss Group.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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).

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

The outbreak of COVID - 19 pandemic has affected several countries across the world, including India. The Government is undertaking several measures to restrict the spread of virus and provide financial support to some stressed sectors. Further, while the COVID-19 vaccination efforts have gained momentum, uncertainty due to the resurgence of COVID cases across many parts of India is rising. The extent to which COVID-19 pandemic will impact the Company, if any, depends on future spread of the virus and related developments, which are uncertain at this point of time. There has been no material change in the controls or processes followed in the closing of the financial statements of the Company.

In preparing the accompanying financial results, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at March 31, 2022. Since the revenue of the Company is ultimately dependent on the value of the assets it manages, changes in market conditions and the trend of flows into alternate funds may have an impact on the operations of the Company. Basis the assessment, the management does not, at this juncture, believe that the impact on the value of the Company's assets or its operations is likely to be material.

3 PRESENTATION OF FINANCIAL STATEMENTS

The Company presents its balance sheet in compliance with the Division II of the Schedule III to the Companies Act, 2013.

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

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle or it is held primarily for the purpose of being traded or it is expected to be realised within 12 months after the reporting date or it is cash or cash equivalent unless it is restricted from being exchanged or expected to be used to settle a liability for at least 12 months after the reporting date. Current assets include the current portion of non-current assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it is expected to be settled in the Company's normal operating cycle or it is held primarily for the purpose of being traded or it is due to be settled within 12 months after the reporting date or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion ofnon-current liabilities. All other liabilities are classified as non-current.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Financial Instruments

4.1.1 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.

4.1.2 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.

4.1.3 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.

4.2 Classification of financial instruments

4.2.1 Financial assets:

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

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

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

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

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

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

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

4.2.1.1 Amortised 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.

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 FVTOCI, when such instruments meet the definition of Equity under Ind AS and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

4.2.2 Financial liabilities

All financial liabilities are measured at amortised cost

4.2.2.1 Debt securities and other borrowed funds

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

4.2.2.2 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 are mandatorily required to be measured at fair value under Ind AS 109.

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

  Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes.

4.2.3 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 Company after deducting all of its liabilities. Equity instruments issued by a Company 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

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

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

4.3 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.

4.4 Derecognition of financial assets and financial liabilities

4.4.1 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.

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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.

4.4.3 Derecognition of financial liabilities

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

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

4.5 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.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.

For financial assets, the expected credit loss (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 expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses have been recognised as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognised as a provision.

4.6 Write off

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

4.7 Determination of fair value

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

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 categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

4.8 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.

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

b. Fee income including advisory fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.

c. The Company recognises incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs. This asset is amortised to profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

d. Recognition of Interest 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).
- Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.
- In case of staff loans interest income is recognised on accrual basis

4.9 Operating leases

As described in Note 48.4, the Company has applied Ind AS 116 while recognising lease cost.

Company as a lessee:

For contracts entered into, 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 (ROU) 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

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

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.

4.11 Foreign currency transactions

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

Provident fund and national pension scheme

The Company contributes to a recognised provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognised in the statement of profit and loss.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted. The present value of the obligation under such benefit plan is determined based on independent actuarial valuation using the Projected Unit Credit Method. Benefits in respect of gratuity are funded with an Insurance company approved by Insurance Regulatory and Development Authority (IRDA).

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.

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 'Share Option Reserve'. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

as a separate grant, because each instalment has a different vesting period, and hence the fair value of each installment differs.

4.14 Property, plant and equipment

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

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives. Depreciation is 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.

As per the requirement of Schedule II of the Companies Act, 2013, the Company has evaluated the useful lives of the respective fixed assets which are as per the provisions of Part C of the Schedule II for calculating the depreciation. The estimated useful lives of the fixed assets are as follows:

Estimated useful lives of the assets are as follows:

Nature of assets	Estimated useful life
Motor Vehicle	8 years
Office Equipment	5 years
Computers - Servers and networks	6 years
Computers - End user devices, such as desktops, laptops, etc.	3 years

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

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

4.15 Intangible assets

The Company's intangible assets mainly include the value of computer software and Investment Management Rights.

Intangibles such as software are amortised over a period of 3 years based on its estimated useful life.

Intangibles such as Investments Management Rights, representing premium paid to acquire Investment Management rights of new funds are amortised over the tenure of the fund.

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.

Projects under which Intangible assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest and are disclosed as "Intangible asset under development".

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 recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

4.17 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.

4.19.1 Current tax

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

4.19.2 Deferred tax

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

Deferred tax assets are also recognised with respect to carryforward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

It is probable that taxable profit will be available against which a deductible temporary difference, unused tax loss or unused tax credit can be utilised when there are sufficient taxable temporary differences which are expected to reverse in the period of reversal of deductible temporary difference or in periods in which a tax loss can be carried forward or back. When this is not the case, deferred tax asset is recognised to the extent it is probable that:

- the Company 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.

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, that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

5.1.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Company’s financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company’s continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

5.1.2 Significant increase in credit risk

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

5.1.3 Consolidation of structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. In the context of the Company, structured entities comprises alternative investment funds / schemes thereof. The Company consolidates the structured entities that it controls. When making this judgement, the Company also considers voting and similar rights available to itself and other parties, who may limit the Company's ability to control, including rights to appoint, reassign or remove members of the structured entity's key management personnel who have the ability to direct the relevant activities, the exposure to variability of returns and whether the Company has the ability to use its power to affect the amount of the Company's returns i.e. the variability of returns in relation to the total returns of the investee entity. For disclosures of unconsolidated structured entities, refer Note 51.

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.

- 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.

- 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

- Effective interest rate method

  The Company's EIR methodology 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.

6 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

7 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLES

Description of assets	Gross block				Depreciation and amortisation				Net block	
	As at April 1, 2021	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 1, 2021	Additions during the year	Deductions during the year	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021
(A) Property, plant and equipment										
Furniture & Fixtures	2.53	-	-	**2.53**	0.36	0.73	-	**1.09**	**1.44**	2.17
Office equipment	26.93	-	1.23	**25.70**	22.43	2.00	1.19	**23.24**	**2.46**	4.50
Motor vehicle	40.58	-	35.17	**5.41**	31.42	2.22	30.58	**3.07**	**2.34**	9.16
Computers	94.43	67.54	26.35	**135.62**	64.71	35.65	25.70	**74.66**	**60.96**	29.72
Right to use asset	38.75	-	-	**38.75**	7.50	12.92	-	**20.42**	**18.33**	31.25
Total : A	**203.22**	**67.54**	**62.75**	**208.01**	**126.42**	**53.52**	**57.47**	**122.48**	**85.53**	**76.80**
(B) Intangible assets										
Computer software	244.79	77.57	6.77	**315.59**	130.89	89.41	6.77	**213.53**	**102.06**	113.90
Total : B	**244.79**	**77.57**	**6.77**	**315.59**	**130.89**	**89.41**	**6.77**	**213.53**	**102.06**	**113.90**

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

7 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLES

Description of assets	Gross block				Depreciation and amortisation				Net block	
	As at April 1, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at April 1, 2020	Additions during the year	Deductions during the year	As at March 31, 2021	As at March 31, 2021	As at March 31, 2020
(A) Property, plant and equipment										
Furniture & Fixtures	1.09	1.440	-	2.53	0.06	0.30	-	0.36	2.17	1.03
Office equipment	25.75	1.180	-	26.93	18.92	3.51	-	22.43	4.50	6.83
Motor vehicle	40.58	-	-	40.58	26.95	4.47	-	31.42	9.16	13.63
Computers	75.64	29.140	10.35	94.43	56.69	16.35	8.33	64.71	29.72	18.95
Right to use asset	-	38.750	-	38.75	-	7.50	-	7.50	31.25	-
Total : A	**143.06**	**70.51**	**10.35**	**203.22**	**102.62**	**32.13**	**8.33**	**126.42**	**76.80**	**40.44**
(B) Intangible assets										
Computer software	187.83	56.960	-	244.79	56.26	74.63	-	130.89	113.90	131.57
Investment Management Rights	475.00	-	-	475.00	330.55	144.45	-	475.00	-	144.45
Total : B	**662.83**	**56.96**	**-**	**719.79**	**386.81**	**219.08**	**-**	**605.89**	**113.90**	**276.02**

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

8 INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at March 31, 2022	As at March 31, 2021
Projects in progress		
Less than 1 year	6.40	13.20
More than 1 year	-	-
	6.40	13.20

9 INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
Quoted		
Investments in equity instruments	-	130.28
Unquoted		
Investment in NCD	8,995.64	-
Investment in Security Receipts	467.28	-
Investments in units of Alternative Investment Funds (AIF)	1,526.87	76.89
	10,989.79	207.17

Note: Of the above, Investment in NCD and Investments in units of Alternative Investment Funds (AIF) are pledged with financial institutions amounting to ₹ 9650.87. (previous year:N.A).

The above investments are held in India and are measured at Fair Value Through Profit or loss.

10 LOANS

	As at March 31, 2022	As at March 31, 2021
Loan to employees	-	26.07
	-	26.07

11 OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Rental deposits	12.20	11.30
	12.20	11.30

12 CURRENT TAX ASSETS (NET)

	As at March 31, 2022	As at March 31, 2021
Advance income taxes and tax deducted at source (refer note 43.3)	1,128.15	451.48
	1,128.15	451.48

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

13 DEFERRED TAX

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets (refer note 43.3)		
Employee benefit obligations	70.04	34.11
Provision for expected credit losses	0.05	0.11
Difference between book and tax depreciation	(0.41)	70.05
Right of Use Assets less lease liabilities (net)	(0.40)	0.24
Sub total	69.28	104.51
Deferred tax liability		
Fair valuation of investments	(128.05)	(11.01)
Sub total	(128.05)	93.50
Deferred tax (liability) / assets (net)	(58.77)	93.50

14 OTHER NON-CURRENT ASSETS

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	4,416.87	3,503.97
	4,416.87	3,503.97

15 CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- in current accounts	466.02	1,510.34
	466.02	1,510.34

16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2022	As at March 31, 2021
Fixed deposits with banks (refer note below)	55.60	-
Balance with Banks - in escrow accounts (refer note below)	54.96	-
	110.56	-

Notes :

Earmarked with bank for a specific purpose and therefore not available for immediate and general use.(Refer note 52 D (iii))

17 TRADE RECEIVABLES

	As at March 31, 2022	As at March 31, 2021
Unsecured		
Undisputed Trade receivables – considered good	5,902.10	607.50
	5,902.10	607.50

(Of the above,3370.70 is used as hypothecation towards facility from financial institution) (Refer note 52 D (iii)) (previous year : N.A)

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

Ageing of Trade receivables

Trade receivables days past due	Unbilled	Less than 6 months	6 months -1 year	1-2 years	Total
As at March 31, 2022					
(i) Undisputed Trade receivables – considered good	-	5,871.69	30.41	-	5,902.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Net carrying amount	**-**	**5,871.69**	**30.41**	**-**	**5,902.10**
As at March 31, 2021					
(i) Undisputed Trade receivables – considered good	-	603.03	1.13	3.34	607.50
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
Net carrying amount	**-**	**603.03**	**1.13**	**3.34**	**607.50**

18 INVESTMENTS

	As at March 31, 2022	As at March 31, 2021
Unquoted		
Investment in NCD	932.01	-
Investment in Security Receipts	149.72	-
Quoted		
Investments in equity instruments	499.49	-
Investments in units of Mutual Fund	4,160.23	1,751.86
	5,741.45	**1,751.86**

Note: Of the above, Investment in NCD and Investments in units of Alternative Investment Funds (AIF) are pledged with financial institutions amounting to ₹ 1,044.55. (previous year:N.A).

The above investments are held in India and are measured at Fair Value Through Profit or loss.

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

19 LOANS

	As at March 31, 2022	As at March 31, 2021
Loan to holding company at amortised cost	1,111.49	2,501.61
Less: Impairment loss allowance	(0.20)	(0.45)
	1,111.29	**2,501.16**

Variable rate loan, weighted average borrowing cost plus one percent, repayable within one year, Previous year :Variable rate loan, weighted average borrowing cost plus one percent, repayable on demand)

20 OTHER FINANCIAL ASSETS

	As at March 31, 2022	As at March 31, 2021
Advances recoverable in cash or in kind or for value to be received	449.63	369.41
Rental deposits	9.20	5.00
	458.83	**374.41**

21 CURRENT TAX ASSETS (NET)

	As at March 31, 2022	As at March 31, 2021
Advance income taxes and tax deducted at source (refer note 41.3)	421.74	676.50
	421.74	**676.50**

22 OTHER CURRENT ASSETS

	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	887.83	611.08
Vendor Advances	98.53	116.13
Advances to employees	21.57	16.08
	1,007.93	**743.29**

23.1 EQUITY SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
a. Authorised :		
2,30,00,000 (Previous year: 2,30,00,000) equity shares of ₹ 10/- each	2,300.00	2,300.00
b. Issued, subscribed and paid up:		
1,23,74,737 (Previous year: 1,23,74,737) equity shares of ₹ 10/- each, fully paid-up	1,237.47	1,237.47
	1,237.47	**1,237.47**

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

c. The movement in share capital during the year :

	As at March 31, 2022		As at March 31, 2021	
	No of shares	Amount	No of shares	Amount
Equity shares				
Number of shares outstanding at the beginning of the year	**12,374,737**	**1,237.47**	2,374,737	237.47
Shares issued during the year	**-**	**-**	10,000,000	1,000.00
Number of shares at the end of the year	**12,374,737**	**1,237.47**	12,374,737	1,237.47

d. Details of shareholders holding more than 5% shares in the Company:

	As at March 31, 2022		As at March 31, 2021	
	No of shares	Percentage of share holding	No of shares	Percentage of share holding
Edelweiss Securities Ltd. and its nominees.	**1,044,884**	**8.44%**	1,044,884	8.44%
Edelweiss Securities And Investments Pvt. Ltd.	**11,211,116**	**90.60%**	11,211,116	90.60%
	12,256,000	**99.04%**	**12,256,000**	**99.04%**

There is no change in shareholding percentage during the previous year & current year.

The Composite scheme of arrangement (the "Scheme") amongst Edelweiss Securities Ltd. ("ESL"), Edelweiss Securities And Investments Pvt. Ltd. ("ESIPL"), Edelweiss Global Wealth Management Ltd. and their respective shareholders and creditors, under section 230 to 232 and other applicable provisions of the Companies Act, 2013, inter-alia envisaged Demerger of Asset Management Business Undertaking ("Demerged Undertaking 1" as defined in the Scheme) of ESL into ESIPL, including ESL's stake in the Company.

The National Company Law Tribunal Bench at Mumbai had approved the aforementioned Scheme on March 31, 2022 under the applicable provisions of the Companies Act, 2013 and the certified copy of the said order of the Tribunal was filed with the Registrar of Companies on April 22, 2022.

Since the Scheme was sanctioned by the NCLT on March 31, 2022, it is an adjusting event in accordance with IND AS 10. On account of the Scheme , share held by ESL in the Company were transferred to ESIPL during April 2022. Since the actual shareholding of the Company was affected post March 31, 2022, we have disclosed the actual share holding pattern as at March 31, 2022.

e. Terms/rights attached to equity shares

The Company has only one class of shares, referred to as equity shares, having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

23.2 INSTRUMENTS ENTIRELY EQUITY IN NATURE

	As at March 31, 2022	As at March 31, 2021
a. 11,00,00,000 compulsory convertible debentures of ₹ 10 each fully paid	**11,000.00**	11,000.00
	11,000.00	**11,000.00**

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

b The movement in instruments during the year :

Compulsory convertible debentures (CCDs)	As at March 31, 2022		As at March 31, 2021	
	No of CCDs	Amount	No of CCDs	Amount
Outstanding at the beginning of the year	**110,000,000**	**11,000**	-	-
Issued during the year	**-**	**-**	110,000,000	11,000
Outstanding at the end of the year	**110,000,000**	**11,000**	110,000,000	11,000

c Details of holders holding more than 5%

Compulsory convertible debentures (CCDs)	As at March 31, 2022		As at March 31, 2021	
	No of CCDs	Amount	No of CCDs	Amount
Edelweiss Financial Services Ltd.	**-**	**-**	25,000,000	2,500
Edelweiss Securities And Investments Pvt. Ltd.	**110,000,000**	**11,000**	85,000,000	8,500
	110,000,000	**11,000**	**110,000,000**	**11,000**

d Terms/rights attached to Instruments entirely equity in nature

The interest rate is 0.01 % per annum amended from 9% per annum w.e.f October 6, 2022 and CCDs will be converted into equity shares at the end of the term. The CCD's shall be converted into Equity shares in the ratio of 17:1 i.e one Equity Share shall be allotted for every 17 CCDS (subject to the necessary adjustment on account of any corporate action including share split, consolidation, sub-division, reduction or restructuring of the share capital/securities) and such resulting number will be rounded off up or down to nearest integer.

The Equity Shares allotted on the conversion of the CCDs shall rank pari passu with existing Equity Shares of the Company. The Equity shares shall be issued to the CCD Holders with absolute title and free and clear of any encumbrance.

24 PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Compensated leave absences	**111.71**	41.00
Gratuity	**169.22**	106.76
	280.93	**147.76**

25 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31, 2022	As at March 31, 2021
Term loan from Financial Institution	**5,150.00**	-
	5,150.00	**-**

Following is the repayment terms of loans :

Above borrowing is secured term loan from Financial Institution at interest rate of 12 percent per annum which is repayable within 36 months from date of disbursement.

(Secured against exclusive investments in debt securities and units of Alternative Investment Funds and charge on identified fee receivables and corporate guarantee of Ultimate Holding Company). (refer note 52 D (iii)).

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

26 LEASE LIABILITY

	As at March 31, 2022	As at March 31, 2021
Lease liability	6.20	20.98
	6.20	**20.98**

27 OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Other payables	608.04	-
	608.04	**-**

28 OTHER NON-CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Income received in advance	94.41	101.55
Others	-	10.08
	94.41	**111.63**

29 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31, 2022	As at March 31, 2021
Unsecured at amortised cost		
Loan from fellow subsidiary	3,336.43	57.04
Borrowings in India	3,336.43	57.04
Borrowings outside India	-	-
	3,336.43	**57.04**

(Variable interest rate loan at prevailing market rate ranging from 11.80 % to 13.40 % (previous year : 11.40 % to 12.34 %))

30 TRADE PAYABLES

As at March 31, 2022	Unbilled	Less than 1 year	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of other than micro enterprises and small enterprises	152.28	2,215.17	2,367.45
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-
(iv) Disputed dues of other than micro enterprises and small enterprises	-	-	-
	152.28	**2,215.17**	**2,367.45**

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

As at March 31, 2021	Unbilled	Less than 1 year	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	0.61	0.61
(ii) Total outstanding dues of other than micro enterprises and small enterprises	74.54	214.43	288.97
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-
(iv) Disputed dues of other than micro enterprises and small enterprises	-	-	-
	74.54	**215.03**	**289.57**

₹ 0.61 payable to "Suppliers" in the previous year was due to supplier registered under the Micro, Small and Medium Enterprises Development Act, 2006 and is paid within 45 days. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

31 LEASE LIABILITY

	As at March 31, 2022	As at March 31, 2021
Lease liability	13.70	11.20
	13.70	**11.20**

32 OTHER FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Accrued salaries and benefits	3,542.03	1,221.11
Interest accrued & not due on compulsory convertible debentures	0.03	5.02
Other payables	321.43	220.95
	3,863.49	**1,447.08**

33 PROVISIONS

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Compensated absences	22.87	13.29
	22.87	**13.29**

34 OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Income received in advance	14.50	17.51
Withholding taxes, Goods & service tax and other taxes payable	687.83	414.63
Others	5.65	16.14
	707.98	**448.28**

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

35 INTEREST INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
On Financial assets measured at amortised cost		
Loan to Holding Company	177.69	1.74
Loan given to employees	0.86	4.17
Loan to others	1.41	-
Debt instruments	-	149.54
Fixed deposit	0.60	-
Inter corporate deposits	1.99	-
On Financial assets measured at fair value through profit and loss		
Debt instruments	191.81	149.54
	374.36	155.45

36 REVENUE FROM CONTRACT WITH CUSTOMERS

	For the year ended March 31, 2022	For the year ended March 31, 2021
Advisory and other fees	20,170	14,184.37
Disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:	20,170	14,184.37
Service transferred at a point in time	-	-
Service transferred over time	20,170	14,184.37
Total revenue from contract with customers	20,170	14,184.37

37 NET GAIN ON FAIR VALUE CHANGES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Fair value gain/(loss) on financial instruments at fair value through profit or loss	893.17	(3.06)
Profit on sale of investments	75.98	7.41
Income distribution from fund	-	42.05
	969.15	46.40

38 OTHER INCOME

	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit on sale of fixed assets (net)	4.43	0.05
Miscellaneous income and other reimbursements	61.90	0.08
Shared Premises income	18.57	-
Interest on Income Tax Refund	-	59.03
	84.90	59.16

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

39 FINANCE COSTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
On financial liabilities measured at amortised cost		
Interest on loan from financial institution	125.11	-
Interest on loan from fellow subsidiaries	73.50	543.63
Interest on Inter-corporate deposits	0.01	582.66
Interest on compulsorily convertible debentures	515.25	5.43
Interest on Lease Liability	2.84	2.25
Interest - others	0.21	0.08
Financial and bank charges	287.60	0.76
	1,004.52	1,134.81

40 IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the year ended March 31, 2022	For the year ended March 31, 2021
ECL provision on loan given to holding company	(0.25)	0.45
	(0.25)	0.45

41 EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and Bonus (refer note 2.40)	9,508.67	6,147.38
Contribution to provident and other funds (refer note 2.31)	381.64	305.79
Expense on Employee Stock Option Scheme (refer note below)	(3.33)	90.66
Staff welfare expenses	115.61	52.31
Expense on Employee Stock Appreciation Rights (refer note below)	50.60	123.72
	10,053.19	6,719.86

The ultimate Holding Company (Edelweiss Financial Services Ltd. ("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.

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

42 OTHER EXPENSES

	For the year ended March 31, 2022	For the year ended March 31, 2021
Advertisement and business promotion	127.70	5.21
Auditors' remuneration (refer note below)	6.50	6.50
Communication	39.20	42.68
Computer expenses	282.71	20.26
Computer software	-	41.16
Clearing & custodian charges	0.34	0.07
Donation	-	0.60
Electricity charges (refer note 2.40)	15.34	0.60
Foreign exchange loss	1.21	26.22
Insurance	26.53	2.76
Legal and professional fees	1,006.32	1,089.33
Membership and subscription	29.56	49.18
Office expenses	34.94	263.79
Postage and courier	-	0.21
Printing and stationery	1.36	5.66
Rates and taxes	1.38	0.35
Rating Support Fees	7.98	9.52
Rent (refer note 2.40)	551.60	598.69
Repairs and maintenance	4.13	2.24
ROC expenses	-	19.58
Seminar and conference	-	1.96
Goods & Service tax expenses	0.07	(1.37)
Directors' Sitting Fees	4.40	4.00
Stamp paper charges	2.99	0.97
Stock exchange expenses	1.49	2.51
Travelling and conveyance	208.15	113.15
Transportation Charges	-	0.06
Usage of Assets	-	7.36
Outside Services Cost	40.42	9.41
Selling and Distribution expenses	2,943.94	2,530.47
Miscellaneous expenses	0.76	0.76
	5,339.02	4,853.89

Note:

1) Auditors' remuneration:

	For the year ended March 31, 2022	For the year ended March 31, 2021
As auditor	6.00	5.00
For others	0.50	1.50
	6.50	6.50

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

2) Cost Sharing

Edelweiss Financial Services Ltd., being the ultimate holding company along with fellow subsidiaries incurs expenditure like group Mediclaim, insurance, rent, electricity charges, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost s.o expended is reimbursed by the Company on the basis of number of employees, area occupied, actual identifications etc. Accordingly, and as identified appropriately, the expenditure heads in the above note are gross of the reimbursements.

43 DEFERRED TAX ASSETS

The components of income tax expense for the years ended March 31, 2022 and 2021 are:

Particulars	FY 2021-22	FY 2020-21
Current tax	-	-
Adjustment in respect of current income tax of prior years	-	-
Deferred tax relating to origination and reversal of temporary differences	165.40	(54.28)
Total tax charge	165.40	(54.28)
Current tax	-	-
Deferred tax	165.40	(54.28)

43.1 Reconciliation of total tax charge

Particulars	FY 2021-22	FY 2020-21
Accounting profit before tax as per financial statements	5,058.58	1,485.16
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	1,273.24	373.81
Others	(23.50)	(5.45)
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised	(1,084.34)	(422.64)
Tax charge for the year recorded in P&L	165.39	(54.28)

Break-up of income tax recorded in OCI	March 31, 2022	March 31, 2021
Deferred tax		
Employee benefit obligations	13.12	(16.97)
Total	13.12	(16.97)

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

As at March 31, 2022	Unused tax losses				Total
Financial Year to which the loss relates to	Unused business losses		Unabsorbed depreciation		
	Amount	Expiry year	Amount	Expiry year	Amount
AY 2018-2019	696.32	FY 2025-2026	-	N.A	696.32
AY 2019-2020	1,798.39	FY 2026-2027	38.68	N.A	1,837.06
Total	2,494.71		38.68		2,533.39

As at March 31, 2021	Unused tax losses				Total
Financial Year to which the loss relates to	Unused business losses		Unabsorbed depreciation		
	Amount	Expiry year	Amount	Expiry year	Amount
AY 2017-2018	2,264.49	FY 2024-2025	8.46	N.A	2,272.95
AY 2018-2019	2,836.19	FY 2025-2026	39.36	N.A	2,875.55
AY 2019-2020	1,798.39	FY 2026-2027	109.09	N.A	1,907.47
Total	6,899.07		156.91		7,055.98

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

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

	Movement for the period (FY 2021-22)			
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Recognised in OCI	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:				
Property, Plant and Equipment including intangibles	70.05	(70.47)		(0.42)
Employee benefits obligations	34.11	22.81	13.12	70.04
ROU Assets less lease liabilities (net)	0.24	(0.63)		(0.39)
Fair valuation of investments	(11.01)	(117.04)		(128.05)
Provision for expected credit losses	0.11	(0.06)		0.05
Total	**93.50**	**(165.39)**	**13.12**	**(58.77)**

	Movement for the period (FY 2021-22)			
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Recognised in OCI	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:				
Property, Plant and Equipment including intangibles	51.53	18.52	-	70.05
Employee benefits obligations	4.65	46.42	(16.97)	34.11
ROU Assets less lease liabilities (net)	-	0.24	-	0.24
Fair valuation of investments	-	(11.01)	-	(11.01)
Provision for expected credit losses	-	0.11	-	0.11
Total	**56.18**	**54.28**	**(16.97)**	**93.50**

44 EARNINGS PER SHARE

	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Net amount attributable to the equity shareholders (as per statement of profit and loss)	**4,893.18**	1,539.44
b) Calculation of weighted average number of equity Shares of ₹10 each:		
- Number of shares at the beginning of the year	**12,374,737**	2,374,737
- Shares issued during the year	**-**	10,000,000
- Shares to be issued against compulsory convertible debentures	**6,470,588**	602,740
Total number of equity shares outstanding at the end of the year	**18,845,325**	12,977,477
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	**18,845,325**	2,593,915
Basic earnings per share (in ₹) (a/b)	**25.96**	59.35
Diluted earnings per share (in ₹) (a/b)	**25.96**	59.35

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

45 SEGMENT REPORTING.

Company has three operating segments. Capital based business, Agency business and treasury business. Capital based business comprises of Income from income from investments. Agency business generates Fee income. Treasury business comprises of income earned from treasury operations and interest income on temporary investments. Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis. Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared. Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment.

The following table gives information as required under the AS- 108 - Operating Segment Reporting:

	Segment Results	For the year ended March 31, 2022	For the year ended March 31, 2021
I	**Segment revenue**		
	a) Capital based business	**1,248.59**	183.45
	b) Agency business	**20,255.32**	14,247.70
	c) Treasury	**94.08**	14.23
	d) Unallocated	**-**	-
	Total	**21,597.99**	**14,445.38**
	Less : Inter segment revenue		
	Total Income	**21,597.99**	**14,445.38**
II	**Segment results**		
	a) Capital based business	**707.75**	183.45
	b) Agency business	**4,772.00**	1,287.93
	c) Treasury	**94.08**	13.78
	d) Unallocated	**(515.25)**	-
	Total	**5,058.58**	**1,485.16**
	Profit before taxation	**5,058.58**	1,485.16
	Less : Provision for taxation	**165.39**	-54.28
	Profit after taxation	**4,893.19**	1,539.44
III	**Segment assets**		
	a) Capital based business	**13,700.63**	207.17
	b) Agency business	**14,044.47**	8,108.76
	c) Treasury	**4,160.22**	4,253.02
	d) Unallocated	**55.60**	93.50
	Total	**31,960.92**	**12,662.45**
IV	**Segment liabilities**		
	a) Capital based business	**8,486.43**	-
	b) Agency business	**7,965.03**	2,546.84
	c) Treasury		-
	d) Unallocated	**58.80**	-
	Total	**16,510.26**	**2,546.84**
V	**Capital expenditure (Including capital work-in-progress)**		
	a) Capital based business	**-**	-
	b) Agency business	**145.11**	101.92
	c) Treasury	**-**	-
	d) Unallocated	**-**	-
	Total	**145.11**	**101.92**

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

	Segment Results	For the year ended March 31, 2022	For the year ended March 31, 2021
VI	**Depreciation and amortisation**		
	a) Capital based business	-	-
	b) Agency business	142.93	251.21
	c) Treasury	-	-
	d) Unallocated	-	-
	Total	**142.93**	**251.21**
VII	**Significant non-cash expenses other than depreciation and amortisation**		
	a) Capital based business	-	-
	b) Agency business	80.29	(12.92)
	c) Treasury	(0.25)	-
	d) Unallocated	-	-
	Total	**80.04**	**(12.92)**

46 RETIREMENT BENEFIT PLAN

A) Defined contribution plan (Provident fund and National Pension Scheme):

Amount of 296.71 lakhs (Previous year: 223.05 lakhs) is recognised as expenses and included in "Employee benefit expense" – Note 41 in the statement of Profit and loss.

B) 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 status and amount recognised in the balance sheet for the gratuity benefit plan.

a) Present value of defined benefit obligation

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of DBO at the beginning of the year	530.16	388.44
Current service cost		
(a) Current service cost	80	75.78
(b) Past Service Cost		
(c) Loss/ (Gain) from Settlement		-
Interest cost	26.89	27.22
Benefits paid	(83.11)	(25.70)
Re-measurements		
a. Actuarial Loss/ (Gain) from changes in demographic assumptions	15.44	(29.68)
b. Actuarial Loss/ (Gain) from changes in financial assumptions	(21.66)	30.81
c. Actuarial Loss/ (Gain) from experience over the past year	69.92	(9.62)
Transfer (out)/in	7.65	72.91
Effect of Acquisition/(divestiture)	-	-
Present value of DBO at the end of the year	**625.25**	**530.16**

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

b) Reconciliation of fair value of plan assets

Particulars	As at March 31, 2022	As at March 31, 2021
Fair value of plan assets at the beginning of the year	423,40	344.24
Contributions by Employer	83.11	25.70
Benefits paid	(83.11)	(25.70)
Interest income on plan asset	21.11	20.25
Re-measurements		
Return on plan assets excluding amount included in interest on the net defined benefit liability/(asset)	11.52	58.91
Fair value of plan assets at the end of the year	456.03	423,40
Actual Return on Plan Assets	32.63	79.16

Statement of profit and loss

c) Expenses recognised in the Statement of Profit and Loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current service cost	80.00	75.78
Net Interest on net defined benefit liability/(asset)	5.78	6.97
Past service cost		-
Total included in 'Employee benefits expense'	**85.78**	**82.75**

d) Net asset / (liability) recognised in the balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	625.25	530.16
Fair value of plan assets at the end of the year	456.03	423.40
Amount recognised in Balance sheet (assets)/liabilities	(169.22)	106.76
Experience Adjustment on Plan Liabilities (gain)/loss	69.92	(9.62)

e) Principle actuarial assumptions at the balance sheet date:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate current	5.90%	5%
Salary escalation rate	7.00%	7.00%
Employees attrition rate	16%	25%
Interest Rate on Net DBO/ (Asset) (% p.a.)	5% p.a.	5.9% p.a.
Expected weighted average remaining work life (years)	4 years	3 years
Mortality	**IALM 2012-14 (Ultimate)**	IALM 2012-14 (Ultimate)

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

f) Movement in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Balance at start of year (Loss)/Gain		
Re-measurements on DBO	**75.25**	7.85
a) Actuarial (Loss)/ Gain from changes in demographic assumptions	**(15.40)**	29.68
b) Actuarial (Loss)/ Gain from changes in financial assumptions	**21.66**	(30.81)
c) Actuarial (Loss)/ Gain from experience over the past year	**(69.92)**	9.62
Re- measurements on Plan assets		
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	**11.52**	58.91
Balance at end of year (Loss)/Gain	**23.11**	75.25

47 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	1-Apr-21	Cash flows	Changes in fair values	Exchange differences	Others*	31-Mar-22
Debt securities	-					**-**
Borrowings other than debt securities	57.04	7,715.51	-	-	713.89	**8,486.44**
Deposits	-	(0.01)			0.01	**-**
Total liabilities from financing activities	57.04	7,715.50	-	-	713.90	**8,486.44**

Particulars	1-Apr-20	"Cash flows"	"Changes in fair values"	"Exchange differences"	Others*	31-Mar-21
Borrowings other than debt securities	11,255.88	(11,742.47)	-	-	543.63	**57.04**
Deposits		(582.65)			582.65	**-**
Total liabilities from financing activities	11,255.88	(12,325.12)	-	-	1,126.28	**57.04**

* Represents Interest expense for the year.

48 CONTINGENT LIABILITIES, COMMITMENTS AND LEASE ARRANGEMENTS

48.1 Legal claims

There are no legal claims outstanding against the Company as at March 31, 2022 (previous year Nil)

48.2 Contingent liabilities and assets

The Company does not have contingent liabilities as at March 31, 2022.(previous year: Nil)

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

48.3 Capital commitments

A. Uncalled liabilities

Uncalled liability as at March 31, 2022 is 1,202.89 (March 31, 2021 :453.73)

B. Estimated amounts of contracts

Estimated amounts of contracts remaining to be executed on capital account and not provided for 1.60 lakhs (Previous year 8.80 lakhs)

48.4 Operating lease commitments

The Company has taken 3 premises on lease during the previous year.

i) Right of use asset

Opening As at April 1, 2021	**31.25**
Addition	-
Depreciation expense	12.92
Closing as at March 31, 2022	18.33

Right of use asset

Opening As at April 1, 2020	**-**
Addition	38.75
Depreciation expense	7.50
Closing as at March 31, 2021	31.25

ii) Lease Liability

Opening As at April 1, 2021	**32.18**
Addition	-
Accretion of interest	2.84
Payment	15.12
Closing as at March 31, 2022	19.90

Lease Liability

Opening As at April 1, 2020	**-**
Addition	38.75
Accretion of interest	2.25
Payment	8.82
Closing as at March 31, 2021	32.18

iii) Total amount recognised in profit and loss

	31-Mar-22
Depreciation and amortisation expense	**12.92**
Finance cost on lease liability	**2.84**
Expense relating to short term lease (included in other expenses)	**23.91**
	39.66

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

Total amount recognised in profit and loss

	31-Mar-21
Depreciation and amortisation expense	7.50
Finance cost on lease liability	2.25
Expense relating to short term lease (included in other expenses)	2.23
	11.98

iv) **Short term lease payments under operating lease for the year ended is as below.**

Particulars	31-Mar-22	31-Mar-21
Within one year	26.89	18.60

v) **Other disclosure**

Particulars	Thursday, March 31, 2022	Wednesday, March 31, 2021
	% / Years/Amount	% / Years/Amount
Incremental borrowing rate of company (in %)	11.75	11.75
The leases have an average life of between (in years)	3.00	3.00
The total lease payment for the year (in amt)	39.03	11.05

49 DISCLOSURE AS REQUIRED BY IND AS 24– "RELATED PARTY DISCLOSURE":

A Name of related party by whom control is exercised:

Edelweiss Financial Services Ltd. -Ultimate Holding company

Edelweiss Securities And Investments Pvt. Ltd.- Holding company

B Fellow subsidiaries with whom transactions have taken place:

Edelweiss Rural & Corporate Services Ltd.

Edelweiss Alternative Asset Advisors Pte Ltd.

Edelweiss Asset Management limited

ECL Finance Ltd.

Edelweiss Asset Reconstruction Company Ltd.

Edelcap Securities Ltd.

Edelweiss Finvest Ltd.

Edelweiss Housing Finance Ltd.

Edelweiss Investment Advisors Ltd.

Sekura India Management Ltd.

Edelweiss Real Asset Managers Ltd.

Edel Land Ltd.

Edel Finance Company Ltd.

EdelGive Foundation

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

Edelweiss Value Growth Fund

India Credit Fund II

Edelweiss General Insurance Company Ltd.

Edelweiss Gallagher Insurance Brokers Ltd. upto October 17, 2021

Edelweiss Tokio Life Insurance Company Ltd

Edelweiss Pvt. Tech Equity Fund

C. Associate companies with whom transactions have taken place:

Edelweiss Finance & Investments Ltd.

Edelweiss Custodial Services Ltd.

Edelweiss Broking Ltd.

Edelweiss Global Wealth Management Ltd.

ESL Securities Ltd.

Edelweiss Securities Ltd.

D. Key Management Personnel

Hemant Daga (Execuwector) Till January 5, 2022

Suresh Chandra Soni (Managing Director & Chief Executing Officer) Till May 31, 2021

Hemal Mehta (Chief Financial Officer)

Deepak Mukhija (Company Secretary)

Sushanth Nayak (Whole Time Director) w.e.f March 1, 2022

(E) Transactions with related parties:

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
	Capital account transactions			
	Equity shares issued	Edelweiss Securities And Investments Private Limited	-	1,000.00
	Compulsory Convertible Debentures Issued	Edelweiss Financial Services Limited	-	2,500.00
		Edelweiss Securities And Investments Private Limited	-	8,500.00
(I)	**Current account transactions during the year**			
	Short term loans taken from (refer note 1)	Edelweiss Rural & Corporate Services Limited	1,400.00	10,169.62
		Edelweiss Finvest Limited	-	5,000.00
		Edelweiss Securities And Investments Private Limited	-	4,500.00
	Short term loans taken from (refer note 2)	Edelweiss Rural & Corporate Services Limited	3,300.00	-
		Edelweiss Finvest Limited	-	5,000.00
		Edelweiss Securities And Investments Private Limited	-	4,929.51

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
	Short term deposits taken from (refer note 1 & 2)	Sekura India Management Limited	50.00	-
		Edelweiss Securities Limited	-	9,543.00
	Short term deposits repaid to (refer note 1 & 2)	Sekura India Management Limited	50.00	9,543.00
	Repayment of short term loans to (refer note 1)	Edelweiss Rural & Corporate Services Limited	(11.93)	(10,169.62)
		Edelweiss Finvest Limited	-	(4,000.00)
		Edelweiss Securities And Investments Private Limited	-	(4,500.00)
	Repayment of short term loans to (refer note 2)	Edelweiss Rural & Corporate Services Limited	(11.93)	(28,601.92)
		Edelweiss Finvest Limited	-	(5,000.00)
		Edelweiss Securities And Investments Private Limited	-	(4,929.51)
	Loan given (refer note 1)	Edelweiss Securities And Investments Private Limited	(1,100.00)	2,500.00
	Loan given (refer note 2)	Edelweiss Securities And Investments Private Limited	(1,100.00)	2,500.00
	Loan repaid (refer note 1)	Edelweiss Securities And Investments Private Limited	2,000.00	-
	Loan repaid (refer note 2)	Edelweiss Securities And Investments Private Limited	2,500.00	-
	Intercorporate Deposit given to (refer note 1)	Sekura India Management Limited	(90.00)	-
		Edelweiss Real Asset Managers Limited	(25.00)	-
	Intercorporate Deposit given to (refer note 2)	Sekura India Management Limited	(190.00)	-
		Edelweiss Real Asset Managers Limited	(25.00)	-
	Intercorporate Deposit repaid by (refer note 1)	Sekura India Management Limited	100.00	-
		Edelweiss Real Asset Managers Limited	25.00	-
	Intercorporate Deposit repaid by (refer note 2)	Sekura India Management Limited	190.00	-
		Edelweiss Real Asset Managers Limited	25.00	-
	Interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited	73.50	461.97
		Edelweiss Securities And Investments Private Limited	-	13.37
		Edelweiss Finvest Limited	-	68.29
	Interest expense on deposits taken from	Sekura India Management Limited	0.01	-
		Edelweiss Securities Limited		582.65
	Interest expense on CCD	Edelweiss Financial Services Limited	117.10	1.23
		Edelweiss Securities And Investments Private Limited	398.16	4.19
	Interest income on loan given	Edelweiss Securities And Investments Private Limited	177.69	1.74

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
	Interest income on intercorporate deposit given	Sekura India Management Limited	1.21	-
		Edelweiss Real Asset Managers Limited	0.78	-
	Sale of NCD	ECL Finance Limited	-	1,784.33
	Purchase of NCD	ECL Finance Limited	2,221.40	-
	Purchase of Fixed Assets	Edelweiss Financial Services Limited	0.29	0.01
		Edelweiss Asset Management Limited	-	0.02
		ECL Finance Limited	-	0.03
		Edel Land Limited (refer note 4)	-	0.07
		Edelweiss Global Wealth Management Limited	-	0.05
		Edelweiss Investment Adviser Limited	-	0.00
		Edelweiss Rural & Corporate Services Limited	0.14	0.18
		Edelweiss Securities Limited	-	1.56
	Proceeds from sale of fixed assets	Edelweiss Broking Limited	-	0.36
		Edelweiss Securities Limited	-	1.08
		ESL Securities Limited	-	0.34
		Edelweiss Rural & Corporate Services Limited	-	0.06
		Edelweiss Financial Services Limited	-	0.05
		Edelweiss General Insurance Company Limited	-	0.00
		Edelweiss Asset Management Limited	0.01	-
		Edelweiss Global Wealth Management Limited	-	0.17
	Fund raising Distributor's expenses	Edelweiss Global Wealth Management Limited	35.66	35.66
		Edelweiss Global Wealth Management Limited (As appearing under prepaid expenses)	220.55	256.21
		Edelweiss Broking Limited	2,749.90	2,360.14
		Edelweiss Broking Limited (As appearing under prepaid expenses)	4,452.61	3,169.43
	Reimbursements paid to	Edelweiss Rural & Corporate Services Limited	-	3.35
	Reimbursements received from	Edelweiss Alternative Asset Advisors Pte Limited	188.97	413.35
		Edelweiss Rural & Corporate Services Limited	8.57	7.49
		ECL Finance Limited	16.61	33.44
		Edelcap Securities Ltd	0.18	0.60
		Edelweiss Asset Reconstruction Company Limited	6.10	21.66
		Edelweiss Finvest Private Limited	-	8.06
		Edel Finance Company Limited	0.19	-
		Edelweiss Investment Advisors Limited	0.67	2.27
		Edel Land Limited (refer note 4)	6.39	6.40
	Advisory fee expense	ECL Finance Limited	611.01	985.27
	Guarantee comission	Edelweiss Financial Services Limited	0.61	-
	Insurance expenses	Edelweiss General Insurance Company Limited	52.53	26.60
		Edelweiss Gallagher Insurance Brokers Limited	0.55	-
		Edelweiss Tokio Life Insurance Company Ltd	28.31	-

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
	Office expenses	Edelweiss Financial Services Limited	**-**	52.09
		Edelweiss Rural & Corporate Services Limited	**-**	202.07
	Cost reimbursements paid to	Edelweiss Financial Services Limited	**9.65**	32.55
		Edelweiss Rural & Corporate Services Limited	**503.92**	450.73
		Edel Land Limited	**-**	23.56
		Edelweiss Asset Management Limited	**-**	11.47
		Edelweiss Broking Limited	**0.65**	-
		Edelweiss Securities And Investments Private Limited - Magnolia	**195.50**	-
		ECL Finance Limited	**3.26**	39.04
		Edelweiss Securities Limited	**0.14**	12.05
	Fee income earned from	Edelweiss Alternative Asset Advisors Pte Limited	**3,236.06**	1,975.14
		Edelweiss Rural & Corporate Services Limited	**106.83**	157.01
		ECL Finance Limited	**982.58**	1,278.73
		Edelcap Securities Ltd	**15.97**	16.88
		Edelweiss Value Growth Fund	**20.20**	22.05
		Edelweiss Investment Advisors Limited	**153.96**	92.81
		Edelweiss Financial Services Limited	**690.00**	-
		Sekura India Management Limited	**75.00**	-
		India Credit Fund II	**292.37**	-
		Edelweiss Private Tech Equity Fund	**6.04**	6.42
		Edelweiss Finvest Private Limited	**-**	318.20
		Edel Land Limited (refer note 4)	**482.67**	81.70
	Cost Reimbursement received from	Edelweiss Broking Limited	**0.93**	-
		Edelweiss Financial Services Limited	**1,734.00**	-
		Edelweiss Custodial Services Limited	**5.88**	0.21
		Edelweiss Finance and Investments Limited	**11.76**	0.17
		Edelweiss Asset Reconstruction Company Limited	**0.17**	-
		Edelweiss Securities Limited	**3.71**	0.05
	Remuneration paid to (refer note 2)	Key Management personnel	**549.52**	345.07
(II)	**Balances with related parties**		**-**	-
	Complusory convertible debentures	Edelweiss Securities And Investments Private Limited	**11,000.00**	8,500.00
		Edelweiss Financial Services Limited	**-**	2,500.00
	Short-term borrowings	Edelweiss Rural & Corporate Services Limited	**3,300.00**	11.93
			-	-
	Trade payable to	ECL Finance Limited	**28.49**	-
		Edelweiss Securities And Investments Private Limited	**31.52**	-
		Edelweiss Rural & Corporate Services Limited	**37.70**	-
		Edelweiss Investment Advisors Limited	**23.11**	-

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
		Edelweiss Securities Limited	**0.01**	1.93
		Edelweiss Broking Limited	**2,039.42**	113.40
		Edelweiss Financial Services Limited	**-**	2.98
		Edelweiss Asset Management Limited	**-**	0.03
		Edelweiss Asset Management Limited	**-**	0.03
		Edelweiss General Insurance Company Limited	**-**	11.77
	Interest accrued and due on borrowings from	Edelweiss Rural & Corporate Services Limited	**36.43**	(4.72)
		Edelweiss Finvest Limited	**-**	39.29
		Edelweiss Securities And Investments Private Limited	**-**	10.54
	Loans given	Edelweiss Securities And Investments Private Limited	**1,099.80**	2,499.55
	Interest accrued on loans given	Edelweiss Securities And Investments Private Limited	**11.49**	1.61
	Interest accrued & not due on compulsory convertible debentures	Edelweiss Securities And Investments Private Limited	**0.03**	3.88
		Edelweiss Financial Services Limited	**-**	1.14
	Other payables	Edelweiss Asset Reconstruction Company Limited	**1.62**	-
		Edelweiss Financial Services Limited	**-**	213.79
		Edelweiss Securities Limited	**-**	2.61
		Edelcap Securities Ltd	**-**	1.43
		Edelweiss Broking Limited	**-**	0.01
		Edelweiss Rural & Corporate Services Limited	**-**	1.26
		Edelweiss Custodial Services Limited	**-**	0.63
	Contract liabilty	Edelweiss Broking Limited	**927.74**	-
	Trade receivables	Edelweiss Alternative Asset Advisors Pte Limited	**1,376.41**	418.62
		Edelcap Securities Ltd	**1.46**	1.57
		Edelweiss Asset Reconstruction Company Limited	**1.16**	15.89
		Edelweiss Finvest Private Limited	**-**	17.95
		India Credit Investment Fund II	**88.74**	100.22
		Edel Land Limited (refer note 4)	**37.52**	4.07
		Edelweiss Custodial Services Limited	**3.34**	-
		Sekura India Management Limited	**81.00**	-
		Edelweiss Financial Services Limited,	**726.89**	-
		Edelweiss Value Growth Fund	**27.71**	19.54
		Edelweiss Private Tech Equity Fund	**3.86**	2.75
		Edelweiss Finance & Investments Limited	**6.67**	-
		Edelweiss Finvest Private Limited	**-**	17.95
		ECL Finance Limited	**-**	100.22
		ESL Securities Limited	**-**	0.40
		Edelweiss Investment Advisors Limited	**-**	8.81
		Edelweiss General Insurance Company Limited	**-**	0.01

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
	Other financial assets	ECL Finance Limited	**4.13**	68.01
		Edelweiss Rural & Corporate Services Limited	**1.37**	10.81
		Edelweiss Value Growth Fund	**4.49**	-
		Edelweiss Financial Services Limited	**160.37**	13.95
		Edelweiss Asset Management Limited	**0.12**	1.95
		Edelweiss Asset Reconstruction Company Limited	**-**	0.65
		Edelweiss Housing Finance Limited	**-**	9.04
		Edelweiss Finance and Investments Limited	**-**	4.35
		Edelweiss General Insurance Company Limited	**0.01**	-
	Off Balance sheet items			
	Corporate gurantee given	Edelweiss Financial Services Limited	**12,500.00**	-

Note :

1) Loan taken from related parties are disclosed based on maximum of debit/credit during the reporting period.

2) Loan taken from related parties are disclosed based on total debit/credit taken during the reporting period.

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

4) Pursuant to the composite scheme of arrangement and amalgamation under section 230 to 232 of the Companies Act, 2013 ,Edel Land Limited ('Amalgamated or Resulting Company'), ECap Equities Limited ('Demerged Company' – defined in the scheme as demerged undertaking and thereby entire activities, business, operations and undertakings of the Demerged Company forming part of the Trading and Capital Markets business) and EC Commodity Limited ('Amalgamating Company') has been amalgamated with effect from 01 April 2020 ('the Appointed date').

50 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.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

The Company is not subject to any regulatory capital requirements.

51 FAIR VALUES OF FINANCIAL INSTRUMENTS:

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.

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

51.1 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	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Investments in Units of AIF	**-**	**-**	**1,526.87**	**1,526.87**
Investments in Units of Mutual Fund	**4,160.23**	**-**	**-**	**4,160.23**
Investments in NCDs	**-**	**9,927.65**	**-**	**9,927.65**
Investments in Security Receipts	**-**	**-**	**617.00**	**617.00**
Investment in Listed Equity shares	**499.49**	**-**	**-**	**499.49**
Total financial assets measured at fair value on a recurring basis	**4,659.72**	**9,927.65**	**2,143.87**	**16,731.24**

Particulars	March 31, 2021			
	Level 1	Level 2	Level 3	Total
Investments in Units of AIF	-	-	76.89	76.89
Investments in Units of Mutual Fund	1,751.86	-	-	1,751.86
Investments in Listed Equity shares	130.28	-	-	130.28
Total financial assets measured at fair value on a recurring basis	**1,882.14**	**-**	**76.89**	**1,959.03**

Fair valuation Technique

The equity instrument is traded actively traded on recognised stock exchange with readily available active prices on a regular basis. Such instruments are classified as level 1. Units held in funds are measured based on net asset value (NAV),taking into account redemption and/or other restrictions. Such instruments are generally level 3.(refer note 41.4)

51.2 Movement in level 3 financial instrument measured at fair value

The following table shows a reconciliation of the opening balances and the closing balances for fair value measurements in Level 3 of the fair value hierarchy.

Particulars	Financial assets	
	March 31, 2022	March 31, 2021
Investments in units of AIF		
At April 1,	**76.89**	235.15
Purchase	**1,291.74**	46.38
Redemption	**(2.34)**	(193.12)
Gains / (losses) for the period recognised in profit or loss	**160.58**	(11.52)
At March 31,	**1,526.86**	76.89
Unrealised gains / (losses) related to balances held at the end of the period	**160.58**	(53.57)
Investments in Security Receipts		
At April 1,	**-**	-
Purchase	**665.00**	-
Redemption	**(48.00)**	-
Gains / (losses) for the period recognised in profit or loss	**-**	-
At March 31,	**617.00**	-
Unrealised gains / (losses) related to balances held at the end of the period	**-**	-

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

The market for these securities is not active. Therefore, the company uses valuation techniques to measure their fair values. Since these security receipts are less liquid instruments therefore they are valued by discounted cash flow models. Expected cash flow levels are estimated by using i quantitative and qualitative measures regarding the characteristics of the underlying assets including prepayment rates, default rates and other economic drivers. Securities receipts with significant unobservable valuation inputs are classified as Level 3.

51.3 Financial instruments not measured at fair value

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

51.4 Fair values of financial instruments

Unobservable inputs used in measuring fair value categorised within Level 3 :

Following tables set out information about significant unobservable inputs used at respective balance sheet dates in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Type of financial instruments	Fair value of asset as on March 31, 2022	Fair value of liability as on March 31, 2022	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in units of AIF	1,526.87	-	Net assets approach	Fair value of underlying investments	NAV per unit ₹ 685.69 - 10,773	5%	76.33	5%	(76.33)
Units in Security receipts	617.00	-	Discounted	Discount cash flow method	19.50%	0.05%	0.31	0.05%	(0.31)
Total	**2,143.87**	**-**					**76.64**		**(76.64)**

Type of financial instruments	Fair value of asset as on March 31, 2021	Fair value of liability as on March 31, 2021	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in units of AIF	76.89	-	Net assets approach	Fair value of underlying investments	NAV per unit ₹ 1,307.98 - 10,015	5%	3.83	5%	(3.83)
Total	**76.89**	**-**					**3.83**		**(3.83)**

52 RISK MANAGEMENT

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

A Risk management structure

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

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

B Analysis of risk concentration

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

The carrying amounts of financial assets in the statement of financial position represent the Company's maximum exposure to credit risk, before taking into account any collateral held. The Company does not hold any collateral in respect of their financial assets. At the reporting date, there was no significant concentration of credit risk. The maximum credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The Company's cash and cash equivalents are held with regulated financial institutions. Trade receivables largely comprise of receivables from Group Companies.

C Industry analysis - Risk concentration for March 31, 2022 and March 31, 2021

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

Particulars	As at March 31, 2022				
	Financial services	Infrastructure	Real Estate	Others	Total
Financial assets					
Cash and cash equivalent	**466.02**	**-**	**-**		**466.02**
Bank balances other than cash and cash equivalents	**110.56**	**-**	**-**		**110.56**
Investments	**6,304.10**	**7,481.75**	**2,179.13**	**766.24**	**16,731.23**
Other financial assets	**449.63**	**-**	**-**	**21.40**	**471.03**
Trade receivables	**5,902.10**	**-**	**-**		**5,902.10**
Loans	**1,111.29**	**-**	**-**		**1,113.29**
Total	**14,343.70**	**7,481.75**	**2,179.13**	**787.64**	**24,794.23**

Particulars	As at March 31, 2021				
	Financial services	Infrastructure	Real Estate	Others	Total
Financial assets					
Cash and cash equivalent	1,510.34	-	-	-	1,510.34
Investments	1,828.75	-	-	130.28	1,959.03
Other financial assets	369.41	-	-	16.30	385.71
Trade receivables	607.50	-	-	-	607.50
Loans	2,501.16	-	-	26.07	2,527.23
Total	**6,817.16**	**-**	**-**	**172.65**	**6,989.81**

D Liquidity risk and funding management

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The table below summarise the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted payments.

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

(i) Analysis of non-derivative financial liabilities by remaining contractual maturities

As at March 31, 2022	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	-	-	-	-	328.03		2,039.42	-	-	-	2,367.45
Other financial liabilities	-	-	-	3,543.21	1.09	4.97	327.92	614.24	-	-	4,491.44
Borrowings			36.43			-	3,300.00	5,150.00	-	-	8,486.43
Total undiscounted non-derivative financial liabilities	-	-	36.43	3,543.21	329.12	4.97	5,667.34	5,764.24	-	-	15,345.32

As at March 31, 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	-	-	-	-	635.75	-	-	-	-	-	635.75
Other financial liabilities	-	-	-	-	245.96	-	-	-	-	-	245.96
Borrowings (other than debt securities)	11,255.88	-	-	-	-	-	-	-	-	-	11,255.88
Total undiscounted non-derivative financial liabilities	11,255.88	-	-	-	881.71	-	-	-	-	-	12,137.59

(ii) Analysis of non-derivative financial assets by remaining contractual maturities

As at March 31, 2022	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	466.02										466.02
Bank balances other than cash and cash equivalents					-	-	110.56	-	-	-	110.56
Trade receivables					5,902.10						5,902.10
Loans			11.49				1,099.80				1,111.29
Investments	4,160.23	-	130.75	-	-	174.70	1,275.77	4,947.65	5,727.98	314.16	16,731.23
Other financial assets	-	-	-	-	449.63	-	9.20	12.20	-	-	471.0325
Total	4,626.25	-	142.24	-	6,351.74	174.70	2,495.33	4,959.85	5,727.98	314.16	24,792.24

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

As at March 31, 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	1,510.34	-	-	-	-	-	-	-	-	-	1,510.34
Trade receivables	-	-	-	-	607.50	-	-	-	-	-	607.50
Loans	2,501.16	-	-	-	-	-	-	26.07	-	-	2,527.23
Investments	-	-	1,751.86	-		-	-	160.77	46.40	-	1,959.03
Other financial assets	-	-	-	-	369.41	-	5.00	11.30	-	-	385.71
Total	4,011.50	-	1,751.86	-	976.91	-	5.00	198.14	46.40	-	6,989.81

(iii) Financial assets available to support future lending

Particulars	March 31, 2022				
	Available as collateral	others[1]	others[2]	Pledged as collateral	Total carrying amount
Cash and cash equivalent	-	466.02	-	-	466.02
Bank balances other than cash and cash equivalents		-	110.56	-	110.56
Trade receivables	2,531.41	-	3,370.70	-	5,902.10
Other financial assets	-	471.03	-	-	471.03
Loan	-	1,111.29	-	-	1,111.29
Investments	6,035.66	-	-	10,695.57	16,731.23
Property, Plant and Equipment	-	85.531		-	85.53
Total assets	8,567.07	2,133.88	3,481.26	10,695.57	24,877.77

Particulars	March 31, 2021				
	Available as collateral	others[1]	others[2]	Pledged as collateral	Total carrying amount
Cash and cash equivalent	-	1,510.34	-	-	1,510.34
Trade receivables	607.50	-	-	-	607.50
Other financial assets	-	385.71	-	-	385.71
Loan	-	2,527.23	-	-	2,527.23
Investments	1,959.03		-	-	1,959.03
Property, Plant and Equipment	-	76.80	-	-	76.80
Total assets	2,566.53	4,500.08	-	-	7,066.61

1. Represents assets which are not restricted for use as collateral, but that the Company would not consider readily available to secure funding in the normal course of business.
2. Represent assets which are used as a security towards facility from financial institution.

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

E Market Risk

(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.

Currency of borrowing / advances	FY 2021-22					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
₹	25	(0.55)	-	25	0.55	-

Currency of borrowing / advances	FY 2020-21					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
₹	25	6.22	-	25	(6.22)	-

(ii) Currency risk

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

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

Currency	FY 2021-22					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
US$	5	68.82		5	(68.82)	

Currency	FY 2020-21					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
US$	5	20.93	-	5.00	(20.93)	-

(iii) Equity Price Risk

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

Impact on	FY 2021-22					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Equity shares	5	24.97	-	5	(24.97)	-

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

Impact on	FY 2020-21					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Equity shares	5	6.51	-	5	(6.51)	-

(iv) 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	FY 2021-22					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Units of AIFs	5	76.33	-	5	(76.33)	-
Units of Mutual Funds	5	208.01	-	5	(208.01)	-
NCDs	5	496.38	-	5	(496.38)	-
Security receipts	5	30.85	-	5	(30.85)	-

Impact on	FY 2020-21					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Units of AIFs	5	3.83	-	5.00	(3.83)	-
Units of Mutual Funds	5	87.59	-	5.00	(87.59)	-

F Market Risk

Total market risk exposure

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.

Particulars	March 31, 2022			March 31, 2021		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Assets						
Cash and cash equivalent	466.02	-	466.02	1,510.34	-	1,510.34
Bank balances other than cash and cash equivalents	110.56	-	110.56	-	-	-
Loans	1,111.29	-	1,111.29	2,527.23	-	2,527.23
Trade receivables	5,902.10	-	5,902.10	607.50	-	607.50
Investments	16,731.23	4,659.71	12,071.52	1,959.03	1,882.14	76.89
Other Financial Assets	471.03	-	471.03	385.71	-	385.71
Total	**24,681.67**	**4,659.71**	**20,021.96**	**6,989.81**	**1,882.14**	**5,107.67**

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

Liability	March 31, 2022			March 31, 2021		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
Borrowings (other than Debt Securities)	**8,486.43**	**-**	**8,486.43**	57.04	-	57.04
Trade payables	**2,367.45**	**-**	**2,367.45**	289.58	-	289.58
Other financial liabilities	**4,491.44**	**-**	**4,491.44**	1,479.26	-	1,479.26
Total	**15,345.32**	**-**	**15,345.32**	**1,825.88**	**-**	**1,825.88**

53 UNCONSOLIDATED STRUCTURED ENTITIES

These are entities that do not meet consolidation criteria explained Note 6.1.3 of the Summary of significant accounting policies.

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

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

Particulars	Alternative Investment Funds	
	31-Mar-22	31-Mar-21
Investments	1,526.87	76.89
Trade Receivables	5,093.21	607.09
Other financial assets	283.47	258.44
Total Assets	**6,903.55**	**942.43**
Off-balance sheet exposure	1,202.89	453.73
Size of the structured entities	1,402,305.00	1,183,150.22
Income from the structured entities	19,857.75	14,091.56

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income from those structure entities	**19,857.75**	14,091.56
Type of income	**Investment Management Fees**	Investment Management Fees
Carrying amount of assets transferred to those structured entities during the period	**-**	-

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

54 EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

The Company has undertaken the following transactions in foreign currency:

(a) Expenditure incurred in foreign currency (on accrual basis)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Advertisement and business promotion	**49.23**	-
Market data services	**-**	30.09
	49.23	**30.09**

(b) Income earned in foreign currency (on accrual basis)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Advisory and other fees	**3,236.06**	2,005.66
	3,236.06	**2,005.66**

55 The beneficial owner of the Company has confirmed its intention to provide continuing financial support to the Company so as to enable the Company to continue operating in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

56 PREVIOUS YEAR COMPARATIVES

Previous year figures have been regrouped and rearranged wherever necessary.

57 EVENTS AFTER REPORTING DATE

There have been no events after the reporting date that require disclosure in this financial statement.

58 OTHER ADDITIONAL REGULATORY INFORMATION

58.1. Title deeds of Immovable Properties not held in name of the Company

The Company do not have any immovable properties where title deeds are not held in the name of the Company.

58.2. Loans and Advances

There are no loans or advances in the nature of loans which are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are:

(a) repayable on demand or

(b) without specifying any terms or period of repayment"

58.3. Details of Benami Property held

The Company do not have any benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

58.4 Security of current assets against borrowings

The Company has no borrowings from banks or financial institutions on the basis of security of current assets.

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

58.5. Wilful Defaulter

The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

58.6. Relationship with Struck off Companies

The Company do not have any transactions with companies struck off.

58.7. Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

58.8. Ratios

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net profit ratio	**22.66%**	10.66%
Return on Equity	**38.28%**	46.36%
Return on Capital employed	**21.96%**	25.67%
Debt Equity Ratio	**0.55**	0.01
Debt Service Coverage Ratio	**1.25**	125.55

Net profit ratio: Net profit/Total Revenue

Return on Equity: Net profit/Average Shareholders funds

Return on Capital employed: Earnings before interest & Tax/(Total Equity Long term borrowings + short term borrowings)

Debt-equity Ratio: Borrowings (other than debt securities)) / Net Worth

DSCR: Profit before interest and tax / (Interest expense + Principal Repayment in next 12 months)

Current ratio, Debtors ratio, inventory turnover ratio, trade payables turnover ratio, net capital turnover, liquidity coverage ratio, return on investment are not applicable owing to the business model of the Company.

58.9. Utilisation of Borrowed funds and share premium:

A) During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes to the financial statements (Contd.)
(Currency: Indian rupees in lakhs)

58.10. Undisclosed Income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

58.11. Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and any of the previous financial years.

For **GMJ & Co.**
Chartered Accountants
Firm's Registration No.: 103429W

Haridas Bhat
Partner
Membership No: 039070

Mumbai
April 29, 2022

For and on behalf of the Board of Directors

Kamala Kantharaj
Director
DIN.: 07917801

Sushanth Nayak
Whole Time Director
DIN.: 02857645

Hemal Mehta
Chief Financial Officer

Deepak Mukhija
Company Secretary

Mumbai
April 29, 2022

Risk Team

1. **PLEASE PROVIDE INSIGHTS INTO THE COMPANY'S RISK MANAGEMENT FRAMEWORK**

   Please refer Risk Governance chapters from FY 2019-20 and FY 2020-21 ESG Reports.

2. **WHAT ARE THE MAJOR RISKS IDENTIFIED BY THE COMPANY? WHAT IS THE COMPANY DOING TO MITIGATE THESE RISKS? HAS THE DEGREE OF IMPACT OF THESE RISKS INCREASED OR DECREASED OVER THE PREVIOUS YEAR? HOW LONG DOES THE COMPANY TAKE TO RESPOND TO THESE RISKS?**

   Please refer Risk Governance chapters from FY 2019-20 and FY 2020-21 ESG Reports.

3. **COULD YOU PLEASE PROVIDE MORE INSIGHTS ON THE 3C FRAMEWORK FOR CREDIT EVALUATION?**

   We will share a write-up on this.

4. **PLEASE PROVIDE DETAILS FOR RISK IDENTIFICATION AND RISK CLASSIFICATION OF ASSET PORTFOLIO.**

   Please refer attached EAAA's Risk Management Framework for details.

5. **WHAT ARE THE COMPANY'S POTENTIAL OPERATIONAL RISKS AND CONTROLS STRATEGIES IMPLEMENTED TO TACKLE THEM?**

   Operational risks with respect to the Investment Process are measured with Risk & Control Self- Assessment (RCSA) model technique where risks are mapped to existing controls and gravity of risk, post controls, is determined.

   Regular audits of certain defined pre-disbursement and post disbursement operational processes are conducted

6. **HOW IS THE COMPANY STRENGTHENING ITS RISK MANAGEMENT FUNCTION?**

   Investment Approval Process

   The Investment team is primarily responsible for Credit Risk Underwriting. Credit Risk team also does an independent assessment of the same. The risk team at EAAA .focusses on each stage of the investment's lifecycle, which helps us evaluate the underlying risks and maintain a healthy portfolio

   Each investment proposal goes through multiple levels of screening – i.e. Name Clearance Committee, Credit Committee (CC), Investment Evaluation Committee (IEC) and the Fund Board.

   For each investment, the Investment team circulates a detailed note covering the contours of the proposed deal, assessment of the various risks and their proposed mitigants and observations of third-party diligences such as background checks, financials due diligence, Commercial/Technical due diligence, Legal due diligence, Collateral Valuations etc.

   The risk team conducts an independent evaluation at the pre-investment stage and submits its observations to Credit Committee (CC)/ Investment Committee (IEC). The evaluation is aimed at covering aspects like financials, business operations, external due diligences, and interactions with the rating agencies and sector experts

   The risk and mitigants including Risk team's assessment are discussed during the CC/IEC.

   Sign-off from relevant approving authority, Risk, Legal and Compliance is obtained prior to disbursement to ensure all recommendations of IC have been addressed, all diligences are completed, deviations have been approved and all conditions have been incorporated in the documentation.

   Asset Management

   The ongoing risk monitoring of the deal is the joint responsibility of the Investment team and Credit & Operational Risk team.

   The Risk Monitoring Framework enables us to detect, manage and mitigate risks throughout the lifespan of the investment. We continue to monitor and manage risks until the exit stage.

   We track factors like regulatory actions, payment status and price changes in real time for all our portfolio companies and security collaterals.

   Quarterly Risk Reviews are conducted by Risk Management Committee for each fund to discuss the performance of the portfolio and take necessary actions (if any).

   The risk team also deploys an Early Warning System, which provides alerts on negative news, industry updates, credit ratings, and breaches of covenants, to name a few. Additionally, we have access to databases that enable us to conduct industry-wise, sector-specific and company-specific research on identified parameters, while also ensuring seamless reporting.

   Annual valuations of all the collateral is conducted in line with the Collateral Valuation policy.

   Further Steps for Strengthening Risk Function

   We have adopted an eleven-risk framework that helps us manage the identified risks. We also have in place Exception Reporting mechanisms to ensure timely reporting on deviations from our policies and processes

   To further strengthen the Risk functon, we are in the process of:

   - Road-map for Enterprise Risk Management (ERM) roll-out is underway
   - Operationalising the recently Board approved Delegation of Power policy within EAAA
   - Facilitating process review and improvements through independent audits
   - To implement further process controls to monitor ESG related risks.

7. **HAS THE COMPANY MADE TECHNOLOGICAL INVESTMENT TO ENHANCE RISK FUNCTION?**

   - IT based investment work-flow started with document management and pre-disbursement activities
   - Creation of Organisational Memory which will also strengthen operational risk management with respect to investments

IT / Digital Team

1. **THE SIGNIFICANCE OF DIGITALISATION IS HIGHER THAN EVER. HOW IS THE COMPANY ADAPTING TO THESE TRENDS?**
   - The incorporation of digital technology > by introducing digital on-boarding process for investors in private market investing
   - Simplifying customer service – Introducing Zoho CRM to give 360 degree view of the customer
   - Focusing on data insights – implementing Fund and Deal level IRRs trend to understand drags in deals
2. **HOW DOES IT INFRASTRUCTURE HELP IN DELIVERY OF SOLUTIONS? WHAT ARE THE STEPS THAT THE COMPANY HAS ADOPTED TO ENHANCE THIS INFRASTRUCTURE?**
   - Cloud based server less architecture for solutions
   - Brings efficiencies in cost
   - Scalable solutions
3. **WHAT ARE THE VARIOUS PLATFORMS TO CONNECT WITH OUR INVESTORS, CUSTOMERS, EMPLOYEES, PARTNERS?**

   SWIFT – On-boarding solution for AIF investors

   Website
4. **WHAT ARE THE KEY PRIORITIES FOR FY 2022-23?**

   Creation of organisation memory - the knowledge that has been accumulated from past experiences, which resides in the organisation and can be used towards making decisions.

   Platform paradigm on applications - which will help on one point authentication and access

Notes

Edelweiss
Ideas create, values protect
ALTERNATIVE
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