

**Independent Auditors' Report****To the Members of Edelweiss Alternative Asset Advisors Limited  
Report on the Audit of the Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying standalone Ind AS financial statements of Edelweiss Alternative Asset Advisors Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, 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, 2023, 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 standalone 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.



<b>Key Audit Matter</b>	<b>How the matter was addressed in our Audit</b>
<p><b>Revenue from Asset management and advisory fees</b></p> <p>Revenue from operations is the most significant in the Statement of Profit and Loss. It majorly comprises of the asset management and advisory fees which is based on certain percentage as mentioned in Private Placement Memorandum (PPM) and contribution agreement. There are inherent risks in computing management fees and manual input of key contractual terms, which could result in errors. Considering the complexity in contractual terms involving multiple schemes, it requires monitoring to ensure completeness. Accordingly, we have considered revenue from management and advisory fees as a key audit matter. Any discrepancy in such computation could give rise to a material misstatement in the financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Obtained and read the accounting policy for revenue recognition</li> <li>• Obtained an understanding of the significant revenue items and identified where there is a higher risk of error due to manual processes, complex contractual terms and areas of judgement.</li> <li>• Test checked the design and operating effectiveness of key controls in place across the Company over recognition of management and advisory fees.</li> <li>• On a sample basis, obtained and tested arithmetical accuracy of revenue calculation and the reconciliation with the accounting records.</li> <li>• On sample basis, verified the input of contractual terms with rates mentioned in PPM.</li> <li>• On a sample basis, checked the receipts of such income in bank statements.</li> <li>• Re-calculated management and advisory fees in respect of certain sample invoices and compared with the actual fees charged by the Company.</li> <li>• Evaluate the disclosure relating to asset management and advisory fees income earned by the Company.</li> </ul>

### 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 standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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 Standalone 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 standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 standalone Ind AS financial statements, including the disclosures, and whether standalone 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 standalone 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, 2023 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 64(ix) 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 64(ix) 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
- (i) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Haridas Bhat  
Partner  
Membership No.: 039070



UDIN: 23039070BGTOUI5229  
Place: Mumbai  
Date: May 15, 2023

**Annexure A to the Auditors' Report**

**The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Alternative Asset Advisors Limited ('the Company') on the financial statements for the year ended March 31, 2023, 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 favor 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, 2023.
- (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) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of 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 not provided loans aggregating to companies other than its subsidiaries, joint ventures and associates 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) The Company has granted loans and advances in the nature of loans during the year to companies, firms, limited liability partnerships or any other parties where 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 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) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (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) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the private placement of compulsory convertible debentures respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.
- (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 60 to the financial statements, ageing and expected dates of realization 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.: 039070



UDIN: 23039070BGTOUI5229

Place: Mumbai  
Date: May 15, 2023

## **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 Limited ("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 Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 Standalone Ind AS 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, 2023, 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.: 039070



UDIN: 23039070BGTOUI5229

Place: Mumbai

Date: May 15, 2023



**Edelweiss Alternative Asset Advisors Limited**

**Balance Sheet**  
(Currency: ₹ in lakhs)

		As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	7	1,847.54	85.53
Other intangible assets	7	84.85	102.05
Intangible assets under development	8	-	6.40
<b>Financial assets</b>			
(i) Bank balances other than cash and cash equivalents	9	274.24	-
(i) Investments	10	52,491.15	10,989.79
(ii) Other financial assets	11	179.35	12.20
Current tax assets (net)	12	28.55	1,128.15
Other non current assets	13	24,993.53	4,416.87
		<u>79,899.21</u>	<u>16,740.99</u>
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Cash and cash equivalents	14	14,535.38	466.02
(ii) Bank balances other than cash and cash equivalents	15	135.86	110.56
(iii) Trade receivables	16	6,883.04	5,902.10
(iv) Investments	17	3,263.62	5,741.45
(v) Loans	18	3.10	1,111.29
(vi) Other financial assets	19	653.63	458.83
Current tax assets (net)	20	-	421.74
Other current assets	21	2,153.10	1,007.93
		<u>27,627.73</u>	<u>15,219.92</u>
<b>TOTAL ASSETS</b>		<u><u>1,07,526.94</u></u>	<u><u>31,960.91</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	22.1	1,237.47	1,237.47
Instruments entirely equity in nature	22.2	34,000.00	11,000.00
Other equity		<u>11,129.78</u>	<u>3,213.17</u>
		<u>46,367.25</u>	<u>15,450.64</u>
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings (other than debt securities)	23	-	5,150.00
(ii) Debt Securities	24	21,169.39	-
(iii) Lease Liability	25	1,549.66	6.20
(iv) Other financial liabilities	26	7,151.81	608.04
Provisions	27	332.91	280.93
Deferred tax liability (net)	28	341.51	58.77
Other non current liabilities	29	75.70	94.41
		<u>30,620.98</u>	<u>6,198.35</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	30	3,190.26	3,336.43
(ii) Debt Securities	31	91.98	-
(ii) Trade payables			
(a) total outstanding dues of small enterprises and micro enterprises	32	1.25	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		17,617.53	2,367.45
(iii) Lease Liability	33	295.57	13.70
(iv) Other financial liabilities	34	6,467.92	3,863.49
Provisions	35	50.63	22.87
Other current liabilities	36	2,823.57	707.98
		<u>30,538.71</u>	<u>10,311.92</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>1,07,526.94</u></u>	<u><u>31,960.91</u></u>

Significant accounting policies and notes forming part of the financial statements

1-64

For GMJ & Co.

Chartered Accountants

Firm's Registration No.: 103429W


  
**Haridas Bhat**  
Partner

Membership No: 039070




For and on behalf of the Board of Directors

  
**Praveen Chopra**  
Non-executive Director  
DIN: 00079353

  
**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

  
**Subhant Nayak**  
Whole Time Director  
DIN.: 02857645

  
**Deepak Mukhija**  
Company Secretary

Mumbai  
May 15, 2023



## Edelweiss Alternative Asset Advisors Limited

### Statement of Profit and Loss

(Currency: ₹ in lakhs)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from operations</b>			
Interest income	37	1,649.32	374.36
Revenue from contract with customers	38	22,963.82	20,169.58
Net gain on fair value changes	39	2,756.14	961.39
<b>Total revenue from operations</b>		<b>27,369.28</b>	<b>21,505.33</b>
Other income	40	264.15	91.45
<b>Total Income</b>		<b>27,633.43</b>	<b>21,596.78</b>
<b>Expenses</b>			
Finance costs	41	1,864.46	1,004.52
Impairment on financial instruments	42	(0.20)	(0.25)
Employee benefits expense	43	10,893.71	10,053.19
Depreciation, amortisation and impairment	7	348.21	142.93
Other expenses	44	4,983.58	5,337.81
<b>Total expenses</b>		<b>18,089.76</b>	<b>16,538.20</b>
<b>Profit before tax</b>		<b>9,543.67</b>	<b>5,058.58</b>
<b>Tax expense:</b>	45		
Current tax		1,429.27	-
Deferred tax		281.02	165.40
Short tax for earlier years		10.73	-
<b>Profit for the year</b>		<b>7,822.65</b>	<b>4,893.18</b>
<b>Other Comprehensive Income / (loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of the defined benefit plans		6.83	(52.14)
Income tax relating to items that will not be reclassified to profit or loss		(1.72)	13.12
<b>Other Comprehensive Income</b>		<b>5.11</b>	<b>(39.02)</b>
<b>Total Comprehensive Income</b>		<b>7,827.76</b>	<b>4,854.16</b>
<b>Earnings per equity share (face value Rs.10 each):</b>			
Basic	46	41.27	25.96
Diluted	46	41.27	25.96

Significant accounting policies and notes forming part of the financial statements

1-64

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



For and on behalf of the Board of Directors

*Priyadeep Chopra*  
Priyadeep Chopra  
Non-executive Director  
DIN: 00079353

*Sushanth Nayak*  
Sushanth Nayak  
Whole Time Director  
DIN.: 02857645

*Hemal Mehta*  
Hemal Mehta  
Chief Financial Officer

*Deepak Mukhija*  
Deepak Mukhija  
Company Secretary

Mumbai

May 15, 2023

Mumbai

May 15, 2023



Edelweiss Alternative Asset Advisors Limited

Cash Flow Statement  
(Currency: ₹ in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
Profit before taxation	9,543.67	5,058.58
Adjustments for		
Depreciation and amortisation expenses	348.21	142.93
Impairment of financial instruments	(0.20)	(0.25)
Provision for compensated absences	32.62	80.29
Expense on Employee Stock Option Scheme & Stock Appreciation Rights	88.84	480.88
Profit on sale of fixed assets	0.07	(4.43)
Finance cost on lease liability	109.06	2.84
Net gain on fair value changes (Realised & Unrealised)	(2,422.72)	(941.81)
Interest income	(1,649.32)	(374.36)
Finance cost	1,658.70	713.88
<b>Operating cash flow before working capital changes</b>	<b>7,708.93</b>	<b>5,158.55</b>
Add / (less): Adjustments for working capital changes		
Increase in trade receivables	(980.94)	(5,294.60)
(Increase)/Decrease in loans and advances	(3.10)	26.07
Increase in other financial assets	(361.94)	(85.32)
Increase in other non current assets	(20,576.66)	(912.90)
Increase in other current assets	(1,145.17)	(264.64)
Increase in trade payables	15,251.33	2,077.86
Increase in provisions	53.94	10.32
Increase in other financial liabilities	9,148.20	2,416.41
(Decrease) / Increase in other non current liabilities	(18.71)	608.04
Increase in other current liabilities	2,115.59	242.47
<b>Cash generated from operations</b>	<b>3,482.54</b>	<b>(1,176.29)</b>
Income tax paid/refund	81.34	(421.63)
<b>Net cash generated from operating activity - A</b>	<b>11,272.80</b>	<b>3,560.63</b>
<b>B. Cash flow from investing activities</b>		
Amount received on Sale of investments Mutual fund	54,537.71	25,073.42
Purchase of Investment of Mutual Fund	(50,377.48)	(28,692)
Purchase of Property, plant & equipment and intangible assets	(131.44)	(145)
Capital expenditure towards development of intangible assets	6.40	6.40
Sale of Property, plant & equipment and intangible assets	5.07	9.71
Investment in NCD and AIF (net)	(18,308.64)	(10,212.74)
Investment in Equity shares (Unquoted)	(22,452.40)	-
<b>Net cash used in investing activities - B</b>	<b>(36,720.78)</b>	<b>(13,959.87)</b>
<b>C. Cash flow from financing activities</b>		
Borrowings and deposit taken	-	8,500.00
Repayment of borrowings & deposits	(6,250.00)	(61.93)
Loan and deposits given	-	(1,315.00)
Repayment towards Loan and deposit given	1,100.00	2,715.00
Proceeds from Issue of compulsory convertible debentures	23,000.00	-
Proceeds from issue of debt securities	21,261.38	-
Proceeds from working capital facility	952.92	-
Interest paid (including interest paid on inter corporate deposits)	(1,657.79)	(722.54)
Principal repayment of leases (Ind AS 116)	(141.38)	(12.28)
Finance cost paid (Ind AS 116)	(109.06)	(2.84)
Interest received	1,660.81	365.07
<b>Net cash generated from/(used in) financing activities - C</b>	<b>39,816.88</b>	<b>9,465.48</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>14,368.91</b>	<b>(933.75)</b>

Note :

Cash and cash equivalents as at the beginning of the year

576.58 1,510.34

Cash and cash equivalents as at the end of the year

14,945.48 576.58

Cash and cash equivalents as at the end of the year

AS at March 31, 2022 AS at March 31, 2022

Balance with Banks - in Current accounts

4,534.08 466.02

Balance with Banks - in escrow accounts

135.86 54.96

Fixed deposits with Banks

10,275.54 55.60

14,945.48 576.58

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

May 15, 2023

For and on behalf of the Board of Directors

*Priyadeep Chopra*  
Priyadeep Chopra  
Non-executive Director  
DIN: 00079353

*Sudhant Nath*  
Sudhant Nath  
Whole Time Director  
DIN: 02857645

*Hemal Mehta*  
Hemal Mehta  
Chief Financial Officer  
Mumbai  
May 15, 2023

*Deepnk Mukhija*  
Deepnk Mukhija  
Company Secretary



**Edelweiss Alternative Asset Advisors Limited**

(Currency: ₹ in lakhs)

**Statement of Changes in Equity**

**(A) Equity share capital**

Balance at the beginning of the reporting period (April 1, 2021)	Changes in equity share capital (refer note 22.1)	Balance at the end of the reporting period (March 31, 2022)	Changes in equity share capital (refer note 22.1)	Balance at the end of the reporting period (March 31, 2023)
1,237.47	-	1,237.47	-	1,237.47

**(B) Instruments entirely equity in nature**

Balance at the beginning of the reporting period (April 1, 2021)	Changes during the year (refer note 22.2)	Balance at the end of the reporting period (March 31, 2022)	Changes during the year (refer note 22.2)	Balance at the end of the reporting period (March 31, 2023)
11,000.00	-	11,000.00	23,000.00	34,000

**(C) Other Equity**

	Reserves and Surplus				Total
	Securities premium	Share Option Reserve	Debt Redemption Reserve	Retained earnings	
<b>Balance at March 31, 2021</b>	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
Remeasurement gain / loss on defined benefit plans (OCI)	-	-	-	(39.02)	(39.02)
<b>Balance at March 31, 2022</b>	1,191.12	308.95	-	1,713.11	3,213.17
Reversal of ESOP/SAR reserve on account of lapses/cancellation post vesting.	-	-	-	88.84	88.84
Transferred during the year	-	-	2,126.14	(2,126.14)	-
Profit for the year	-	-	-	7,822.65	7,822.65
Other comprehensive income for the year	-	-	-	5.11	5.12
<b>Balance at March 31, 2023</b>	1,191.12	308.95	2,126.14	7,503.57	11,129.78

**(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.

**(iii) Debt Redemption Reserve**

The Companies Act, 2013 requires companies that issue debentures to create a debt redemption reserve from annual profits until such debentures are redeemed. The Company is required to transfer a specified percentage (as provided in the Companies Act 2013) of the outstanding redeemable debentures to debt redemption reserve. The amounts credited to the debt redemption reserve may not be utilised except to redeem debentures. On redemption of reserves, the amount may be transferred from debt redemption reserve to reserved earnings.

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  
May 15, 2023

For and on behalf of the Board of Directors

  
**Priyadeep Chopra**  
Non-executive Director  
DIN: 00079353

  
**Sushant Nayak**  
Whole Time Director  
DIN: 02857645

  
**Hegdal Mehta**  
Chief Financial Officer  
Mumbai

  
**Deepak Mukhija**  
Company Secretary  
Mumbai

May 15, 2023





# Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

## 1. Background

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

The ultimate holding company is Edelweiss Financial Services Limited, 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 (INR)

## 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 realized 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 realized 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.



# Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

## 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 of non-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 recognized 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 recognized 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 recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

### 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 Amortized cost and Effective interest method

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

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

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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





## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized 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 recognized 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 derecognized 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

- 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 derecognized 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 recognized as new financial liability, would be recognized 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 recognized 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 recognized 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 recognized as a provision. Also, for other loan commitments and all financial guarantee contracts, the loss allowance has been recognized as a provision.

### 4.6 Write off



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 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 recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the





## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 recognized 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 recognized 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 recognized 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 recognized in profit or loss in the period in which they arise.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

### 4.12 Retirement and other employee benefit

#### Provident fund and national pension scheme

The Company contributes to a recognized provident fund and national pension scheme which is a defined contribution scheme. The contributions are accounted for on an accrual basis and recognized 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 recognized 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 recognized 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





## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each 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 recognized in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognized in profit or loss as incurred.

Depreciation is recognized 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 derecognized 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 recognized as assets is derecognized 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 recognized 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

### 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 recognized 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 amortization and any accumulated impairment losses. Intangible assets with finite lives are amortized 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 recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

### 4.17 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 recognized 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 recognized 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 recognized.

### 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 recognized 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 recognized for all taxable temporary differences. Deferred tax assets are generally recognized 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 recognized 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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





## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

### 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 derecognized 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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.



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: ₹ in lakhs)

**7 Property, plant and equipment and other intangibles**

Description of assets	Gross block		Depreciation and amortization				Net block		
	As at April 1, 2022	Additions during the year	Deductions during the year	As at March 31, 2023	As at April 1, 2022	Additions during the year	Deductions during the year	As at March 31, 2023	As at March 31, 2022
<b>(A) Property, Plant and Equipment</b>									
Furniture & Fixtures	2.53	1.75	-	4.28	1.09	0.64	-	1.73	1.44
Office equipment	25.70	1.71	-	27.41	23.24	1.28	-	24.52	2.46
Motor vehicle	5.41	-	2.78	2.63	3.06	0.21	0.65	2.62	2.34
Computers	135.62	73.18	20.57	188.24	74.66	65.13	17.56	122.24	60.96
Right to use asset	38.75	1,966.71	-	2,005.46	20.42	208.94	-	229.36	18.33
<b>Total : A</b>	<b>208.01</b>	<b>2,043.35</b>	<b>23.35</b>	<b>2,228.02</b>	<b>122.47</b>	<b>276.20</b>	<b>18.21</b>	<b>380.47</b>	<b>85.53</b>
<b>(B) Intangible assets</b>									
Computer software	315.59	54.80	-	370.39	213.53	72.01	-	285.54	102.05
<b>Total : B</b>	<b>315.59</b>	<b>54.80</b>	<b>-</b>	<b>370.39</b>	<b>213.53</b>	<b>72.01</b>	<b>-</b>	<b>285.54</b>	<b>102.05</b>





**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: ₹ in lakhs)

**7 Property, plant and equipment and other intangibles**

Description of assets	Gross block			Depreciation and amortization			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, 2021
<b>(A) Property, Plant and Equipment</b>									
Furniture & Fixtures	2.53	-	-	2.53	0.36	0.73	-	1.09	2.17
Office equipment	26.93	-	1.23	25.70	22.43	2.00	1.19	23.24	4.50
Motor vehicle	40.58	-	35.17	5.41	31.42	2.22	30.58	3.06	9.16
Computers	94.43	67.54	26.35	135.62	64.71	35.65	25.70	74.66	29.72
Right to use asset	38.75	-	-	38.75	7.50	12.92	-	20.42	31.25
<b>Total : A</b>	<b>203.22</b>	<b>67.54</b>	<b>62.75</b>	<b>208.01</b>	<b>126.42</b>	<b>53.52</b>	<b>57.47</b>	<b>122.47</b>	<b>76.80</b>
<b>(B) Intangible assets</b>									
Computer software	244.79	77.57	6.77	315.59	130.89	89.41	6.77	213.53	113.90
Investment Management Rights	475.00	-	475.00	-	475.00	-	475.00	-	-
<b>Total : B</b>	<b>719.79</b>	<b>77.57</b>	<b>481.77</b>	<b>315.59</b>	<b>605.89</b>	<b>89.41</b>	<b>481.77</b>	<b>213.53</b>	<b>113.90</b>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>8 Intangible assets under development</b>		
<b>Projects in progress</b>		
Less than 1 year	-	6.40
More than 1 year	-	-
	<u>-</u>	<u>6.40</u>
<b>9 Bank balances other than cash and cash equivalents</b>		
Fixed deposits with banks to the extent held as security against debt securities	274.24	-
	<u>274.24</u>	<u>-</u>
Notes :		
i) Fixed deposit balances with banks earns interest at fixed rate		
<b>10 Investments</b>		
<b>i) At Fair Value Through Profit &amp; Loss</b>		
<b><u>Quoted</u></b>		
Equity Shares	282.31	-
<b><u>Unquoted</u></b>		
Debt securities	15,751.31	8,995.64
Pass through certificates	104.19	467.28
Units of AIF	13,900.93	1,526.87
<b>ii) At Cost (Subsidiaries)</b>		
<b><u>Unquoted</u></b>		
Equity Shares	22,452.40	-
	<u>52,491.15</u>	<u>10,989.79</u>
Note:		
Of the above, Investment in NCD and Investments in units of Alternative Investment Funds (AIF) are pledged with financial institutions, the same has been specified in note 55 E (iii)		
<b>11 Other financial Assets</b>		
Securiy Deposits	177.21	12.20
Deposits - others	2.13	-
	<u>179.35</u>	<u>12.20</u>
<b>12 Current tax assets (net)</b>		
Advance income taxes (net of provision for tax Rs.1,396.79)	28.55	1,128.15
	<u>28.55</u>	<u>1,128.15</u>
<b>13 Other non-current assets</b>		
Prepaid expenses	24,993.53	4,416.87
	<u>24,993.53</u>	<u>4,416.87</u>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: ₹ in lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>14 Cash and cash equivalents</b>		
<b>Balances with banks</b>		
- in current accounts	4,534.08	466.02
- in fixed deposits with original maturity less than 3 months	10,001.30	-
	<b>14,535.38</b>	<b>466.02</b>

**15 Bank balances other than cash and cash equivalents**

Fixed deposits with banks to the extent held as security against debt securities	-	55.60
Earmarked balances with financial institution	135.86	54.96
	<b>135.86</b>	<b>110.56</b>

Notes :

Earmarked with bank for a specific purpose and therefore not available for immediate and general use.(Refer note 55 E (iii))

**16 Trade receivables**

**Unsecured**

Undisputed Trade receivables – considered good	6,883.04	5,902.10
	<b>6,883.04</b>	<b>5,902.10</b>

Notes :

Trade Receivables specified in note 55 E (iii) have been held as security against debt securities and borrowings

**Ageing of Trade receivables**

Trade receivables days past due	Unbilled	Less than 6 months	6 months -1 year	1-2 years	Total
<b>As at March 31, 2023</b>					
(i)Undisputed Trade receivables – considered good	-	5,775.28	1,107.76	-	6,883.04
(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	-	5,775.28	1,107.76	-	6,883.04
<b>As at March 31, 2022</b>					
(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



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

#### 17 Investments

##### At Fair Value Through Profit & Loss

###### Quoted

Equity Shares	-	499.49
Mutual Fund	-	4160.23

###### Unquoted

Debt securities	3,065.65	932.01
Pass through certificates	172.55	149.72
Units of AIF	25.43	

<b>3,263.62</b>	<b>5,741.45</b>
-----------------	-----------------

Note:

Of the above, Investment in NCD and Investments in units of Alternative Investment Funds (AIF) are pledged with financial institutions, the same has been specified in note 55 E (iii)

#### 18 Loans (at ammortised cost)

##### Considered Good- Unsecured

Loan to employees	3.10	-
Loan to holding company	-	1,111.49
Less: Impairment loss allowance		(0.20)

<b>3.10</b>	<b>1,111.29</b>
-------------	-----------------

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 within one year)





## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>19 Other financial assets</b>		
Advances recoverable in cash or in kind or for value to be received	533.13	449.63
Security deposits	20.50	9.20
Deposits - others	100.00	-
	<u>653.63</u>	<u>458.83</u>
<b>20 Current tax assets (net)</b>		
Advance income taxes and tax deducted at source (refer note 45.3)	-	421.74
	<u>-</u>	<u>421.74</u>
<b>21 Other current assets</b>		
Prepaid expenses	1,650.39	887.83
Vendor Advances	360.25	98.53
Advances to employees	24.63	21.57
Input tax credit	117.68	-
Advances recoverable in cash or in kind or for value to be received	0.16	-
	<u>2,153.10</u>	<u>1,007.93</u>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>22.1 Equity share capital</b>		
<b>a. Authorised :</b>		
2,30,00,000 (Previous year: 2,30,00,000) equity shares of Rs. 10/- each	2,300.00	2,300.00
<b>b. Issued, subscribed and paid up:</b>		
1,23,74,737 (Previous year: 1,23,74,737) equity shares of Rs. 10/- each, fully paid-up	1,237.47	1,237.47
	<b>1,237.47</b>	<b>1,237.47</b>

**c. The movement in share capital during the year :**

	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<i>Equity shares</i>				
Number of shares outstanding at the beginning of the year	1,23,74,737	1,237	1,23,74,737	1,237
Shares issued during the year	-	-		
Number of shares at the end of the year	<b>1,23,74,737</b>	<b>1,237</b>	1,23,74,737	1,237

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

	As at March 31, 2023		As at March 31, 2022	
	No of shares	Percentage of share holding	No of shares	Percentage of share holding
Edelweiss Securities Limited and its nominees.	-	-	10,44,884	8.44%
Edelweiss Securities And Investments Private Limited and its nominees	1,22,56,000	99.04%	1,12,11,116	90.60%
	<b>1,22,56,000</b>	<b>99.04%</b>	<b>1,22,56,000</b>	<b>99.04%</b>

**e. Details of shareholding of promoter in the company:**

**Shares held by promoters As as March 31, 2023**

Promoter name	No of shares	% of total shares	% Change during the year
Edelweiss Securities And Investments Private Limited	1,22,56,000	99.04%	8.44%

**Shares held by promoters As as March 31, 2022**

Promoter name	No of shares	% of total shares	% Change during the year
Edelweiss Securities And Investments Private Limited	1,12,11,116	90.60%	0.00%
Edelweiss Securities Limited	10,44,884	8.44%	0.00%

**f. Terms/rights attached to equity shares**

The Company has only one class of shares, referred to as equity shares, having a par value of Rs 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.



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

#### 22.2 Instruments entirely equity in nature

- a. 11,00,00,000 compulsory convertible debentures of Rs 10 each fully paid

As at March 31, 2023	As at March 31, 2022
34,000.00	11,000.00
<b>34,000.00</b>	<b>11,000.00</b>

#### b. The movement in instruments during the year :

Compulsory convertible debentures (CCDs)	As at March 31, 2023		As at March 31, 2022	
	No of CCDs	Amount	No of CCDs	Amount
Outstanding at the beginning of the year	11,00,00,000	11,000.00	11,00,00,000	11,000.00
Issued during the year	23,00,00,000	23,000.00	-	-
Outstanding at the end of the year	<b>34,00,00,000</b>	<b>34,000.00</b>	11,00,00,000	11,000.00

#### c. Details of debentureholders holding more than 5%

Edelweiss Securities And Investments Private Limited	34,00,00,000	34,000.00	11,00,00,000	11,000.00
	<b>34,00,00,000</b>	<b>34,000.00</b>	11,00,00,000	11,000.00

#### d. Terms/rights attached to Instruments entirely equity in nature

i) The interest rate is 0.01 % per annum amended from 9% per annum w.e.f October 6, 2021 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 at the end of 5 years and such resulting number will be rounded off up or down to nearest integer.

ii) The CCDs issued at 0.01% per annum in the current period shall be converted into the Equity Shares of the Company in the ratio of 173:10 (i.e. 10 Equity Shares will be allotted for 173 CCDs converted) at the end of 5 years.

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.



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

As at  
March 31, 2023

As at  
March 31, 2022

#### 23 Borrowings (other than debt securities)

##### Secured

Term loan from Financial Institution - 5,150.00  
(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.)\*

-	5,150.00
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Borrowings in india -	5,150.00
Borrowings outside india -	-

-	5,150.00
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(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 55 E (iii)).\*

**Note - The company has used the borrowings for the specific purpose for which it was taken.**

\* - Note relates to previous year

#### 24 Debt Securities

##### **Redeemable non-convertible debentures - secured**

##### **Privately placed**

- Market linked debentures	11,169.39	-
- Non Convertible Debentures	10,000.00	-
	<b>21,169.39</b>	<b>-</b>

**Note - The company has used the funds raised from debt securities for the specific purpose for which it was taken.**

#### 25 Lease Liability

Lease liability	1,549.66	6.20
	<b>1,549.66</b>	<b>6.20</b>

#### 26 Other financial liabilities

Other payables	7,151.81	608.04
	<b>7,151.81</b>	<b>608.04</b>

#### 27 Provisions

Compensated leave absences	136.79	111.71
Gratuity	196.12	169.22
	<b>332.91</b>	<b>280.93</b>





## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

	As at March 31, 2023	As at March 31, 2022
<b>28 Deferred tax assets and liabilities</b>		
<b>Deferred tax assets (net)</b>		
Employee benefit obligations	97.62	70.04
Provision for expected credit losses	(0.05)	0.05
Property, plant and equipment and intangibles	55.81	(0.41)
<b>Total</b>	<b>153.39</b>	<b>69.68</b>
<b>Deferred tax liabilities (net)</b>		
Fair valuation of Investments	(477.54)	(128.05)
Right of Use Assets less lease liabilities (net)	(17.35)	(0.40)
<b>Total</b>	<b>(494.89)</b>	<b>(128.45)</b>
<b>Deferred tax (liability) / assets (net)</b>	<b>(341.51)</b>	<b>(58.77)</b>
<b>29 Other non-current liabilities</b>		
Income received in advance	72.53	94.41
Others	3.17	-
	<b>75.70</b>	<b>94.41</b>
<b>30 Borrowings (other than debt securities)</b>		
<b>Unsecured</b>		
Loan from fellow subsidiary (Variable interest rate loan at prevailing market rate ranging from 13.25% to 14.30 % (previous year : 11.80 % to 13.40 %))	2,237.34	3,336.43
<b>Secured</b>		
Bank Overdraft (Pari-passu charge on all the current assets of the Borrower, excluding the assets which are exclusively charged to other lenders, with an asset cover of 1.5 times of sanctioned amount)	952.92	-
	<b>3,190.26</b>	<b>3,336.43</b>
Borrowings in india	3,190.26	3,336.43
Borrowings outside india	-	-
	<b>3,190.26</b>	<b>3,336.43</b>
<b>Note - The company has used the borrowings for the specific purpose for which it was taken.</b>		
<b>31 Debt Securities</b>		
<b>Redeemable non-convertible debentures - secured</b>		
Accrued Interest on Non Convertible Debentures	91.98	-
	<b>91.98</b>	<b>-</b>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

As at  
March 31, 2023      As at  
March 31, 2022

#### 32 Trade payables

As at 31 March 2023	Unbilled	Less than 1 year	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	1.25	1.25
(ii) Total outstanding dues of other than micro enterprises and small enterprises	-	17,617.53	17,617.53
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-
(iv) Disputed dues of other than micro enterprises and small enterprises	-	-	-
	-	17,618.78	17,618.78

As at 31 March 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

Rs. 1.25 lakhs 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.

#### 33 Lease liability

Lease liability	295.57	13.70
	<u>295.57</u>	<u>13.70</u>

#### 34 Other financial liabilities

Accrued salaries and benefits	3,099.22	3,542.03
Deposits	1,479.10	-
Interest accrued & not due on compulsory convertible debentures	1.04	0.03
Other payables	1,888.56	321.43
	<u>6,467.92</u>	<u>3,863.49</u>

#### 35 Provisions

<b>Provision for employee benefits</b>		
Compensated absences	30.42	22.87
Others	20.21	-
	<u>50.63</u>	<u>22.87</u>

#### 36 Other non-financial liabilities

Income received in advance	2,310.06	14.50
Withholding taxes, Goods & service tax and other taxes payable	513.51	687.83
Others	-	5.65
	<u>2,823.57</u>	<u>707.98</u>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>37 Interest Income</b>		
<b>On Financial assets measured at amortised cost</b>		
Interest on loan to Holding Company	80.97	177.69
Interest on loan given to employees	0.10	0.86
Interest on loan to others	-	1.41
Interest on deposits with Banks	14.12	0.60
Interest on inter corporate deposits	-	1.99
<b>On Financial assets measured at fair value through profit and loss</b>		
Debt instruments	1,479.42	163.71
Pass through certificates	74.71	28.10
	1,649.32	374.36
<b>38 Revenue from contract with customers</b>		
Advisory and other fees	22,963.82	20,169.58
	22,963.82	20,169.58
Disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:		
Service transferred at a point in time	-	-
Service transferred over time	22,963.82	20,169.58
<b>Total revenue from contract with customers</b>	<b>22,963.82</b>	<b>20,169.58</b>
<b>39 Net gain on fair value changes</b>		
Fair value gain/(loss) on financial instruments at fair value through profit or loss	1,866.15	893.17
Profit on sale of investments	556.57	68.22
Income distribution from fund	333.42	-
	2,756.14	961.39
<b>40 Other income</b>		
Foreign Exchange Gain	115.32	6.55
Profit on sale of fixed assets (net)	-	4.43
Miscellaneous income and other reimbursements	1.04	61.90
Shared Premises income	1.92	18.57
Interest on Income Tax Refund	145.87	-
	264.15	91.45



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

(Currency: ₹ in lakhs)

	<b>For the year ended March 31, 2023</b>	For the year ended March 31, 2022
<b>41 Finance costs</b>		
<b>On financial liabilities measured at ammortised cost</b>		
Interest on loan from financial institution	566.50	125.11
Interest on loan from fellow subsidiaries	343.19	73.50
Interest on non convertible debentures	747.12	-
Interest on inter-corporate deposits	-	0.01
Interest on compusorily convertible debentures	1.13	515.25
Interest on lease liability	109.06	2.84
Interest on working capital facility	0.77	-
<b>Other interest expense</b>		
Interest - others	77.08	0.21
Financial and bank charges	19.61	287.60
	<b>1,864.46</b>	<b>1,004.52</b>
<b>42 Impairment on financial Instruments</b>		
ECL provision on loan given to holding company	(0.20)	(0.25)
	<b>(0.20)</b>	<b>(0.25)</b>
<b>43 Employee benefit expenses</b>		
Salaries wages and bonus	9,971.18	9,508.67
Contribution to provident and other funds	469.54	381.64
Expense on Employee Stock Option Scheme (refer note below)	16.86	(3.33)
Staff welfare expenses	350.98	115.61
Expense on Employee Stock Appreciation Rights (refer note below)	85.15	50.60
	<b>10,893.71</b>	<b>10,053</b>

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





**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: ₹ in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>44 Other expenses</b>		
Advertisement and business promotion	57.96	127.70
Auditors' remuneration (refer note below)	7.15	6.50
Communication	46.40	39.20
Computer expenses	460.90	282.71
Clearing & custodian charges	0.69	0.34
Donation	1.00	-
Electricity charges	31.92	15.34
Insurance	23.25	26.53
Legal and professional fees	676.34	1,006.32
Membership and subscription	53.71	29.56
Office expenses	81.99	34.94
Postage and courier	3.91	-
Mutual Fund Expenses	1.56	-
Printing and stationery	36.74	1.36
Rates and taxes	17.64	1.38
Rating Support Fees	5.90	7.98
Rent	622.23	551.60
Repairs and maintenance	8.55	4.13
Seminar and conference	0.18	-
Goods & Service tax expenses	8.52	0.07
Directors' Sitting Fees	8.30	4.40
Stamp paper charges	20.64	2.99
Stock exchange expenses	2.97	1.49
Loss on sale of fixed assets	0.07	-
Travelling and conveyance	457.81	208.15
Outside Services Cost	93.26	40.42
Selling and Distribution expenses	2,248.34	2,943.94
Miscellaneous expenses	5.65	0.76
	<b>4,983.58</b>	<b>5,337.81</b>

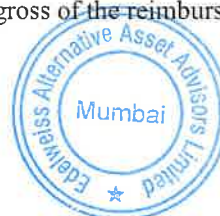
**Note:**

**1) Auditors' remuneration:**

As auditor	6.60	6.00
For others	0.55	0.50
	<b>7.15</b>	<b>6.50</b>

**2) Cost Sharing**

Edelweiss Financial Services Limited, 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 so 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



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

#### 45 Deferred Tax assets

The components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Particulars	March 31, 2023	March 31, 2022
Current tax	1,429.27	-
Adjustment in respect of current income tax of prior years	10.73	-
Mat credit entitlement	-	-
Deferred tax relating to origination and reversal of temporary differences	281.02	165.40
<b>Total tax charge</b>	<b>1,721.02</b>	<b>165.40</b>
Current tax	1,440.00	-
Deferred tax	281.02	165.40

#### 45.1 Reconciliation of total tax charge

Particulars	March 31, 2023	March 31, 2022
Accounting profit before tax as per financial statements	9,543.67	5,058.58
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	2,402.14	1,273.24
Adjustment in respect of current income tax of prior years	10.73	-
Others	(411.53)	(23.50)
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised	(561.34)	(1,084.34)
<b>Tax charge for the year recorded in P&amp;L</b>	<b>1,440.00</b>	<b>165.39</b>

Break-up of income tax recorded in OCI	March 31, 2023	March 31, 2022
<b>Deferred tax</b>		
Employee benefit obligations	(1.72)	13.12
<b>Total</b>	<b>(1.72)</b>	<b>13.12</b>



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

(Currency: ₹ in lakhs)

**45 Deferred Tax assets (continued)****45.2 Details of temporary differences where deferred tax assets have not been recognised in the balance sheet**

As at March 31, 2023	Unused tax losses				
Financial Year to which the loss relates to	Unused business losses		Unabsorbed depreciation		Total
	Amount	Expiry year	Amount	Expiry year	Amount
A.Y 2018-2019	431.82	F.Y. 2025-2026	-	N.A	431.82
A.Y 2019-2020	1,798.39	F.Y. 2026-2027	-	N.A	1,798.39
<b>Total</b>	<b>2,230.20</b>		<b>-</b>		<b>2,230.20</b>

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



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: ₹ in lakhs)

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

Movement for the period (2022-23)				
	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	(0.42)	56.24	-	55.82
Employee benefits obligations	70.04	29.31	(1.72)	97.63
ROU Assets less lease liabilities (net)	(0.39)	(16.97)	-	(17.36)
Fair valuation of investments	(128.05)	(349.50)	-	(477.55)
Provision for expected credit losses	0.05	(0.10)	-	(0.05)
<b>Total</b>	<b>(58.76)</b>	<b>(281.02)</b>	<b>(1.72)</b>	<b>(341.50)</b>

Movement for the period (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
<b>Total</b>	<b>93.50</b>	<b>(165.39)</b>	<b>13.12</b>	<b>(58.77)</b>

**46 Earnings Per Share**

Earnings per share	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Net amount attributable to the equity shareholders (as per statement of profit and loss)	7,822.65	4,893.18
b) Calculation of weighted average number of equity Shares of Rs 10 each:		
- Number of shares at the beginning of the year	1,23,74,737	1,23,74,737
- Shares issued during the year	-	-
- Shares to be issued against compulsory convertible debentures	1,97,65,386	64,70,588
Total number of equity shares outstanding at the end of the year	3,21,40,123	1,88,45,325
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,89,54,598	1,88,45,325
Basic earnings per share (in rupees) (a/b)	41.27	25.96
Diluted earnings per share (in rupees) (a/b)	41.27	25.96

**47 Segment Reporting**

The Company Operates in a single reportable segment of Investment manager to Alternative Investment Funds and Advisory services to offshore funds business as per the requirement of Ind AS 108 - Operating Segment.





## **Edelweiss Alternative Asset Advisors Limited**

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

#### **List of Related Parties**

##### **A Name of related party by whom control is exercised:**

Edelweiss Financial Services Limited - (Ultimate Holding company)  
Edelweiss Securities And Investments Private Limited (Holding company)

##### **B Name of related party on whom control is exercised:**

Edelweiss Alternative Asset Advisors Pte. Limited  
Sekura India Management Limited  
Edelweiss Real Asset Managers Limited

##### **C Fellow subsidiaries with whom transactions have taken place:**

ECap Securities & Investments Limited (formerly known as ECap Equities Limited)  
Edelweiss Investment Adviser Limited  
ECap Equities Limited (formerly known as Edel Land Limited)  
Edelweiss Rural & Corporate Services Limited  
ECL Finance Limited  
Edelweiss Housing Finance Limited  
Edelweiss Asset Reconstruction Company Limited  
Edelweiss Asset Management Limited  
Edelcap Securities Limited  
Edelweiss Securities and Investments Private Limited  
Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)  
Edelweiss Global Wealth Management Limited  
Edelweiss Private Equity Tech Fund  
Edelweiss Value and Growth Fund  
India Credit Investment Fund II  
India Credit Investment Fund III  
Edelweiss Real Assets Managers Limited  
Edelweiss Tokio Life Insurance Company Limited

##### **D Associates with whom transactions have taken place: (Upto March 30, 2023)**

Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)  
Nuvama Asset Management Limited (formerly known as ESL Securities Limited)  
Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)  
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)

##### **E Key Managerial Personnel**

Hemal Mehta  
Deepak Mukhija  
Sushanth Nayak  
Priyadeep Chopra (w.e.f March 24, 2023)  
Sunil Phatarphekar  
Kanu Doshi  
Kamala Kantharaj (upto January 17, 2023)



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: ₹ in lakhs)

#### Related Party Disclosures

Sr. No.	Nature of Transaction	Related party name	For the year ended 31 March 2023	For the year ended 31 March 2022
A)	Transactions with related parties as stated above			
1	Issuance of Compulsory convertible debentures	Edelweiss Securities And Investments Private Limited	23,000.00	-
2	Purchase of Non Convertible Debentures from	ECL Finance Limited	1,571.90	2,221.40
3	Investment in Units of AIF	India Credit Investment Fund III	206.96	-
4	Purchase of Units of AIF from	ECap Equities Limited	2,463.66	-
5	Purchase of Equity Shares (Unquoted) from	Edelweiss Securities And Investments Private Limited Edelweiss Financial Services Limited	1,110.41 21,341.99	- -
6	Security deposit placed with	Edelweiss Rural & Corporate Services Limited	177.21	-
7	Interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited Edelweiss Financial Services Limited	336.56 6.63	73.50 -
8	Interest expense on CCD	Edelweiss Securities And Investments Private Limited Edelweiss Financial Services Limited	1.13 -	398.16 117.10
9	Interest expense on deposits	Sekura India Management Limited	-	0.01
10	Fund raising Distributor's expenses	Edelweiss Global Wealth Management Limited Edelweiss Global Wealth Management Limited (As appearing under prepaid expenses) Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited) Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited) (As appearing under prepaid expenses)	32.63 187.92 1,946.83 17,103.61	35.66 220.55 2,749.90 4,452.61
11	Advisory fee expense	ECL Finance Limited	409.65	611.01
12	Insurance expenses	Zuno General Insurance Limited Edelweiss Tokio Life Insurance Company Ltd	100.16 53.72	52.53 28.31
13	Corporate Guarantee Fee	Edelweiss Financial Services Limited	0.36	0.61
14	Remuneration paid to	Key Management personnel	466.76	549.52
15	Debt Securities - placement fee	Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)	50.06	-
16	Director Sitting Fees paid to	Sunil Phatarphekar Kanu Doshi Kamala Kantharaj	3.80 3.80 0.70	2.20 2.20 -
17	Cost reimbursements paid to	Edelweiss Financial Services Limited Edelweiss Rural & Corporate Services Limited Edelweiss Securities And Investments Private Limited ECL Finance Limited Nuvama Asset Management Limited (formerly known as ESL Securities Limited) Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)	13.73 808.06 223.46 0.98 0.85 0.10 -	9.65 503.92 195.50 3.26 - 0.14 0.65
18	Interest income on loan given	Edelweiss Securities And Investments Private Limited	80.97	177.69
19	Interest income on intercorporate deposits given	Sekura India Management Limited Edelweiss Real Assets Managers Limited	0.00 -	1.21 0.78



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: ₹ in lakhs)

**Related Party Disclosures**

Sr. No.	Nature of Transaction	Related party name	For the year ended 31 March 2023	For the year ended 31 March 2022
20	Fee income earned from	Edelweiss Alternative Asset Advisors Pte Limited	3,802.18	3,236.06
		Edelweiss Rural & Corporate Services Limited	109.43	106.83
		India Credit Investment Fund III	9.56	-
		ECL Finance Limited	742.34	982.58
		Edelcap Securities Ltd	15.28	15.97
		Edelweiss Value Growth Fund	17.64	20.20
		Edelweiss Investment Advisors Limited	139.03	153.96
		Sekura India Management Limited	333.00	75.00
		India Credit Fund II	389.65	292.37
		Edelweiss Private Tech Equity Fund	6.86	6.04
		Edelweiss Securities And Investments Private Limited	244.67	-
		ECap Equities Limited	373.35	482.67
		Edelweiss Financial Services Limited	-	690.00
		21	Reimbursements received from	Edelweiss Alternative Asset Advisors Pte Limited
ECL Finance Limited	15.87			16.61
Edelweiss Investment Advisors Limited	0.20			-
Edelweiss Asset Reconstruction Company Limited	21.14			6.26
ECap Equities Limited	103.51			6.39
Edelcap Securities Limited	-			0.18
Edelweiss Rural & Corporate Services Limited	29.77			8.57
Edel Finance Company Limited	-			0.19
Edelweiss Investment Adviser Limited	-			0.67
Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	1.92			11.76
Nuvama Wealth and Investment Limited (formerly known as Edelweiss Broking Limited)	-			0.93
Edelweiss Financial Services Limited	-			1,734.00
Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	-			3.71
Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	-			5.88
22	Transfer of gratuity liability on account of employee transfer to	Edelweiss Real Assets Managers Limited	3.80	-
23	Transfer of gratuity liability on account of employee transfer from	Edelcap Securities Limited	10.12	-
		Edelweiss Asset Reconstruction Company Limited	30.98	-
		Edelweiss Rural & Corporate Services Limited	7.36	-
		ECL Finance Limited	7.75	-
24	Purchase of Fixed asset	ECL Finance Limited	0.90	-
		Edelweiss Housing Finance Limited	0.06	-
		Edelweiss Financial Services Limited	-	0.29
		Edelweiss Rural & Corporate Services Limited	-	0.14
25	Sale of Fixed Asset	Edelweiss Asset Reconstruction Company Ltd	1.10	-
		Edelweiss Financial Services Limited	0.06	-
		Edelweiss Housing Finance Limited	0.02	-
		Edelweiss Rural & Corporate Services Limited	0.06	-
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	0.02	-
		Edelweiss Asset Management Limited	-	0.01
		Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	0.02	-



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: ₹ in lakhs)

**Related Party Disclosures**

Sr. No.	Nature of Transaction	Related party name	For the year ended 31 March 2023	For the year ended 31 March 2022
<b>B)</b>	<b>Balances with related parties as stated above</b>			
1	Compulsory convertible debentures	Edelweiss Securities And Investments Private Limited	34,000.00	11,000.00
2	Short-term borrowings	Edelweiss Rural & Corporate Services Limited	2,200.00	3,300.00
3	Term loans given	Edelweiss Securities And Investments Private Limited	-	1,099.80
4	Trade payable to	ECL Finance Limited	41.22	28.49
		Edelweiss Securities And Investments Private Limited	76.12	31.52
		Edelweiss Rural & Corporate Services Limited	188.59	37.70
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	-	2,039.42
		Edelweiss Housing Finance Limited	0.02	-
		Edelweiss Financial Services Limited	0.68	-
		Edelweiss Investment Adviser Limited	-	23.11
		Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	-	0.01
5	Interest accrued and due on borrowings from	Edelweiss Rural & Corporate Services Limited	31.37	36.43
		Edelweiss Financial Services Limited	5.97	-
6	Interest accrued & not due on compulsory convertible debentures	Edelweiss Securities And Investments Private Limited	1.04	0.03
7	Interest accrued on loans given	Edelweiss Securities And Investments Private Limited	-	11.49
8	Other payables	Edelweiss Financial Services Limited	89.36	-
		Edelweiss Real Assets Managers Limited	3.80	-
		Edelweiss Asset Reconstruction Company Limited	-	1.62
9	Other Receivables	Edelweiss Rural & Corporate Services Limited	8.26	1.37
		Edelcap Securities Limited	10.12	-
		Edelweiss Asset Reconstruction Company Limited	30.98	-
		ECL Finance Limited	7.75	4.13
		Edelweiss Value Growth Fund	-	4.49
		Edelweiss Financial Services Limited	-	160.37
		Edelweiss Asset Management Limited	-	0.12
		Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)	-	0.01
10	Security deposits with	Edelweiss Rural & Corporate Services Limited	177.21	-
11	Contract liability	Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	-	927.74
12	Trade receivables	Edelweiss Alternative Asset Advisors Pte Limited	3,006.38	1,376.41
		Edelcap Securities Ltd	1.42	1.46
		ECap Equities Limited	27.98	37.52
		Sekuru India Management Limited	67.80	81.00
		Edelweiss Securities And Investments Private Limited	50.00	-
		Edelweiss Rural & Corporate Services Limited	22.82	-
		Edelweiss Asset Reconstructions Company Ltd	1.65	1.16
		Edelweiss Value Growth Fund	5.13	27.71
		Edelweiss Private Tech Equity Fund	2.00	3.86
		ECL Finance Limited	61.17	-
		India Credit Investment Fund II	173.92	88.74
		India Credit Investment Fund III	11.28	-
		Edelweiss Investment Advisors Limited	10.22	-
		Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	-	3.34
		Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	-	6.67
		Edelweiss Financial Services Limited	-	726.89
<b>C)</b>	<b>Off Balance Sheet Items</b>			
	Corporate Guarantee taken from	Edelweiss Financial Services Limited	-	12,500.00
		Edelweiss Securities And Investments Private Limited	10,000.00	-



**Edelweiss Alternative Asset Advisors Limited**

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

**(Currency: Indian rupees)**

**49 Retirement Benefit Plan**

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

Amount of Rs. 367.84 (P.Y: Rs. 296.71) is recognised as expenses and included in "Employee benefit expense" – Note. 43 in statement of Profit and loss.

**B) Defined benefit plan (Gratuity):**

The following tables summarize 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.

**Table 1: Reconciliation of Defined Benefit Obligation (DBO)**

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Present Value of DBO at start of the year</b>	625.25	530.16
Service Cost	88.56	80.00
Interest Cost	39.98	26.89
Benefits Paid	(120.39)	(83.11)
<b>Re-measurements</b>		
a. Actuarial Loss/ (Gain) from changes in demographic assumptions	-	15.40
b. Actuarial Loss/ (Gain) from changes in financial assumptions	(42.48)	(21.66)
c. Actuarial Loss/ (Gain) from experience over the past year	24.03	69.92
Transfer In/ (Out)	52.41	7.65
<b>Present Value of DBO at end of the year</b>	<b>667.36</b>	<b>625.25</b>

**Table 2 : Expenses recognised in the Profit and Loss Account**

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
<b>Service Cost</b>		
a. Current Service Cost	88.56	80.00
b. Net Interest on net defined benefit liability/ (asset)	13.15	5.78
<b>Service Cost</b>	<b>101.71</b>	<b>85.78</b>

**Table 3: Net Liability/ (Asset) recognised in the Balance Sheet**

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Present Value of DBO	667.36	625.25
Fair Value of Plan Assets	471.24	456.03
Funded Status [Surplus/ (Deficit)]	(196.12)	(169.22)
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	24.03	69.92

**Table 4: Actuarial Assumptions**

	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Salary Growth Rate	7% p.a.	7% p.a.
Discount Rate	7.10% p.a.	5.9% p.a.
Interest Rate on Net DBO/ (Asset)	5.9% p.a.	5% p.a.
Withdrawal Rate	16% p.a.	16% p.a.
Mortality Rate	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)
Weighted average duration of the obligation	3.5 years	4 years





**Table 5: Movement in Other Comprehensive Income**

	March 31, 2023	March 31, 2022
<b>Balance at start of year - (Loss)/ Gain</b>	23.11	75.25
<b>Re-measurements on DBO</b>		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	(15.40)
b. Actuarial (Loss)/ Gain from changes in financial assumptions	42.48	21.66
c. Actuarial (Loss)/ Gain from experience over the past year	(24.03)	(69.92)
Re-measurements on Plan Assets		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	(11.62)	11.52
<b>Balance at end of year - (Loss)/ Gain</b>	29.94	23.11

**Table 6: Sensitivity Analysis**

<b>DBO increases/ (decreases) by</b>	March 31, 2023	March 31, 2022
1% Increase in Salary Growth Rate	26.53	30.10
1% Decrease in Salary Growth Rate	(26.62)	(27.67)
1% Increase in Discount Rate	(26.34)	(27.69)
1% Decrease in Discount Rate	26.76	30.73
1% Increase in Withdrawal Rate	0.13	(1.57)
1% Decrease in Withdrawal Rate	(0.14)	1.72
Mortality (increase in expected lifetime by 1 year)	-	0.03
Mortality (increase in expected lifetime by 3 years)	(0.01)	0.10

**Table 7: Movement in Net (Liability)/ Asset**

	March 31, 2023	March 31, 2022
Surplus/ (Deficit) at start of year	(169.22)	(106.76)
Net (Acquisition)/ Divestiture	-	-
Net Transfer (In)/ Out	(52.41)	(7.65)
Movement during the year	-	-
Current Service Cost	(88.56)	(80.00)
Past Service Cost	-	-
Net Interest on net DBO	(13.15)	(5.78)
Changes in Foreign Exchange Rates	-	-
Re-measurements – Gains/ (Losses)	6.83	(52.14)
Contributions	120.39	83.11
Surplus/ (Deficit) at end of year	(196.12)	(169.22)

**Table 8: Reconciliation of Fair Value of Plan Assets**

	March 31, 2023	March 31, 2022
Fair Value of Plan Assets at start of the year	456.03	423.40
Contributions by Employer	120.39	83.11
Benefits Paid	(120.39)	(83.11)
Interest Income on Plan Assets	26.83	21.11
Re-measurements		
Return on plan assets excluding amount included in net interest on the net defined benefit liability/(asset)	(11.62)	11.52
<b>Fair Value of Plan Assets at end of the year</b>	<b>471.24</b>	<b>456.03</b>
Actual Return on Plan Assets	15.21	32.63
Expected Employer Contributions for the coming year	200.00	200.00



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 50 Change in liabilities arising from financing activities

Particulars	April 1, 2022	Cash flows	Changes in fair values	Exchange differences	Others*	March 31, 2023
Debt securities	-	20,623.45	-	-	637.92	21,261.38
Borrowings other than debt securities	8,486.43	(5,640.13)	-	-	343.96	3,190.26
Total liabilities from financing activities	8,486.43	14,983.32	-	-	981.88	24,451.63

Particulars	April 1, 2021	Cash flows	Changes in fair values	Exchange differences	Others*	March 31, 2022
Borrowings other than debt securities	57.04	7,715.50	-	-	713.89	8,486.43
Deposits	-	(0.01)	-	-	0.01	-
Total liabilities from financing activities	57.04	7,715.49	-	-	713.90	8,486.43

\* Represents Interest expense for the year.

#### 51 Contingent liabilities, commitments and lease arrangements

##### 51.1 Legal claims

There are no legal claims outstanding against the Company as at March 31, 2023 (previous year Nil)

##### 51.2 Contingent liabilities and assets

The company does not have contingent liabilities as at March 31, 2023(previous year: Nil)

##### 51.3 Capital commitments

###### A. Uncalled liabilities

Uncalled liability (undrawn commitment in case of Units of AIF) as at March 31, 2023 is Rs. 26,318.21 lakhs (previous year: Rs.1,202.89 lakhs)

###### B. Estimated amounts of contracts

Estimated amounts of contracts remaining to be executed on capital account and not provided for - Nil (Previous year: Rs.1.6 lakhs)



Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

52 Operating lease commitments

The company has taken 3 premises on lease during the current year.

i) Right of use asset

Opening As at April 1, 2022	18.33
Addition	1,966.71
Depreciation expense	208.94
Closing as at March 31, 2023	1,776.10

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

ii) Lease Liability

Opening As at April 1, 2022	19.90
Addition	1,966.71
Accretion of interest	109.06
Payment	250.44
Closing as at March 31, 2023	1,845.23

Lease Liability

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

iii) Total amount recognised in profit and loss

Particulars	March 31, 2023
Depreciation and ammortisation expense	208.94
Finance cost on lease liability	109.06
Expense relating to short term lease (included in other expenses)	29.33
<b>Total</b>	<b>347.33</b>

Total amount recognised in profit and loss

Particulars	March 31, 2022
Depreciation and ammortisation expense	12.92
Finance cost on lease liability	2.84
Expense relating to short term lease (included in other expenses)	23.91
<b>Total</b>	<b>39.67</b>

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

Particulars	March 31, 2023	March 31, 2022
Within one year	7.92	26.89

v) Other disclosure

Particulars	March 31, 2023	March 31, 2022
	% / Years/Amount	% / Years/Amount
Incremental borrowing rate of company (in %)	12.14	11.75
The leases have an average life of between (in years)	2	3
The total lease payment for the year (in amt)	279.77	39.03



**Edelweiss Alternative Asset Advisors Limited****Notes to the financial statements (Continued)****(Currency: Indian rupees)****53 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.

**54 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.

**54.1 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, 2023			
	Level 1	Level 2	Level 3	Total
Investments in Units of AIF	-	-	13,926.36	13,926.36
Investments in NCDs	-	18,816.96	-	18,816.96
Investments in Pass through certificates	-	276.73	-	276.73
Investments in Listed Equity shares	282.31	-	-	282.31
Total financial assets measured at fair value on a recurring basis	282.31	19,093.69	13,926.36	33,302.37

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 Pass through certificates	-	617.00	-	617.00
Investments in Listed Equity shares	499.49	-	-	499.49
Total financial assets measured at fair value on a recurring basis	4,659.72	10,544.65	1,526.87	16,731.24

**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 54.4)

**54.2 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.

**Financial year ended March 31, 2023**

	Units of AIF	Total
Investments - at April 1, 2022	1,526.87	1,526.87
Purchase	14,109.59	14,109.59
Redemption during the year	(2,417.85)	(2,417.85)
Profit/(loss) during the year recognised in profit or loss	707.75	707.75
<b>Investments - at March 31, 2023</b>	<b>13,926.36</b>	<b>13,926.36</b>
Unrealised gain/(loss) related to balances held at the end of the year	707.75	707.75



**Edelweiss Alternative Asset Advisors Limited**

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

**(Currency: Indian rupees)**

**54.2 Movement in level 3 financial instrument measured at fair value (continued)**

**Financial year ended March 31, 2022**

	Units of AIF	Total
Investments - at April 1, 2021	76.89	76.89
Purchase	1,291.74	1,291.74
Redemption during the year	(2.34)	(2.34)
Profit/(loss) during the year recognised in profit or loss	160.58	160.58
Investments - at March 31, 2022	1,526.87	1,526.87
Unrealised gain/(loss) related to balances held at the end of the year	160.58	160.58

**54.3 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.





Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

54.4 Fair values of financial instruments (continued)

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, 2023	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	13,926.36	Net assets approach	Fair value of underlying investments	NAV per unit Rs. 508.52 - Rs.1,07,284	5%	696.32	5%	(696.32)
<b>Total</b>	<b>13,926.36</b>					<b>696.32</b>		<b>(696.32)</b>

Type of financial instruments	Fair value of asset 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 Rs. 685.69 - Rs.10,773	5%	76.33	5%	(76.33)
<b>Total</b>	<b>1,526.87</b>					<b>76.33</b>		<b>(76.33)</b>



(Currency : Indian rupees)

**55 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.

**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 31 March 2023 and 31 March 2022**

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, 2023				
	Financial services	Infrastructure	Real Estate	Others	Total
<b>Financial assets</b>					
Cash and cash equivalent	14,535.38	-	-	-	14,535.38
Bank balances other than cash and cash equivalents	410.10	-	-	-	410.10
Investments	36,655.49	12,505.84	4,682.90	1,910.54	55,754.77
Other financial assets	533.13	-	-	299.84	832.97
Trade receivables	6,883.04	-	-	-	6,883.04
Loans	-	-	-	3.10	3.10
<b>Total</b>	<b>59,017.15</b>	<b>12,505.84</b>	<b>4,682.90</b>	<b>2,213.48</b>	<b>78,419.37</b>

Particulars	As at March 31, 2022				
	Financial services	Infrastructure	Real Estate	Others	Total
<b>Financial assets</b>					
Cash and cash equivalent	466.02	-	-	-	466.02
Bank balances other than cash and cash equivalents	110.56	-	-	-	110.56
Investments	6,304.10	7,481.76	2,179.14	766.24	16,731.24
Other financial assets	449.63	-	-	21.40	471.03
Trade receivables	5,902.10	-	-	-	5,902.10
Loans	1,111.29	-	-	-	1,111.29
<b>Total</b>	<b>14,343.70</b>	<b>7,481.76</b>	<b>2,179.14</b>	<b>787.64</b>	<b>24,794.25</b>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency : Indian rupees)

**55 Risk Management (Continued)**

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

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

As at March 31, 2023	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	-	-	-	-	818.10	-	16,800.68	-	-	-	17,618.78
Borrowings	-	-	38.11	-	-	-	3,152.15	-	-	-	3,190.26
Debt Securities	-	-	-	-	91.98	-	-	17,769.39	3,400.00	-	21,261.38
Other financial liabilities	-	-	323.41	3,123.32	120.33	1,249.61	1,946.82	7,922.67	778.80	-	15,464.97
<b>Total</b>	-	-	<b>361.51</b>	<b>3,123.32</b>	<b>1,030.41</b>	<b>1,249.61</b>	<b>21,899.65</b>	<b>25,692.07</b>	<b>4,178.80</b>	-	<b>57,535.39</b>

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
Borrowings (other than debt securities)	-	-	36.43	-	-	-	3,300.00	5,150.00	-	-	8,486.43
Other financial liabilities	-	-	-	3,543.21	1.09	4.97	327.92	614.24	-	-	4,491.43
<b>Total</b>	-	-	<b>36.43</b>	<b>3,543.21</b>	<b>329.12</b>	<b>4.97</b>	<b>5,667.34</b>	<b>5,764.24</b>	-	-	<b>15,345.31</b>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency : Indian rupees)

**55 Risk Management (Continued)**

**D Liquidity risk and funding management (Continued)**

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

As at March 31, 2023	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	4,534.08	10,001.30	-	-	-	-	-	-	-	-	14,535.38
Bank balances other than cash and cash equivalents	-	135.86	-	-	-	-	274.24	-	-	-	410.10
Trade receivables	-	-	-	3,876.67	-	3,006.38	-	-	-	-	6,883.04
Loans	-	-	-	-	-	-	3.10	-	-	-	3.10
Investments	-	-	29.29	365.03	200.21	443.04	2,226.05	13,965.62	3,399.14	35,126.39	55,754.77
Other financial assets	-	-	-	638.13	-	15.50	-	2.13	177.21	-	832.97
<b>Total</b>	<b>4,534.08</b>	<b>10,137.16</b>	<b>29.29</b>	<b>4,879.82</b>	<b>200.21</b>	<b>3,464.92</b>	<b>2,229.15</b>	<b>14,241.99</b>	<b>3,576.35</b>	<b>35,126.39</b>	<b>78,419.36</b>

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	-	-	-	-	-	110.56	-	-	-	466.02
Bank balances other than cash and cash equivalents	-	-	-	5,902.10	-	-	-	-	-	-	110.56
Trade receivables	-	-	11.49	-	-	-	1,099.80	-	-	-	5,902.10
Loans	-	-	130.75	-	-	-	1,275.77	4,947.65	5,727.98	314.16	1,111.29
Investments	4,160.23	-	-	-	449.63	174.70	9.20	12.20	-	-	16,731.24
Other financial assets	-	-	-	-	449.63	-	-	-	-	-	471.03
<b>Total</b>	<b>4,626.25</b>	<b>142.24</b>	<b>142.24</b>	<b>5,902.10</b>	<b>449.63</b>	<b>174.70</b>	<b>2,495.33</b>	<b>4,959.85</b>	<b>5,727.98</b>	<b>314.16</b>	<b>24,792.24</b>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 55 Risk Management (Continued)

##### E Liquidity risk and funding management (Continued)

##### (iii) Financial assets available to support future lending

March 31, 2023					Total carrying amount
Particulars	Available as collateral	others <sup>1</sup>	others <sup>2</sup>	Pledged as collateral	
Cash and cash equivalent	-	14,535.38	-	-	14,535.38
Bank balances other than cash and cash equivalents	-	135.86	-	274.24	410.10
Trade receivables	-	-	6,883.04	-	6,883.04
Other financial assets	-	832.97	-	-	832.97
Loan	-	3.10	-	-	3.10
Investments	9,902.37	22,452.40	-	23,400.00	55,754.77
Property, Plant and Equipment	-	1,847.54	-	-	1,847.54
<b>Total</b>	<b>9,902.37</b>	<b>39,807.25</b>	<b>6,883.04</b>	<b>23,674.24</b>	<b>80,266.90</b>

March 31, 2022					Total carrying amount
Particulars	Available as collateral	others <sup>1</sup>	others <sup>2</sup>	Pledged as collateral	
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	-	3,370.69	-	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	-	85.53	-	-	85.53
<b>Total</b>	<b>8,567.07</b>	<b>2,133.87</b>	<b>3,481.25</b>	<b>10,695.57</b>	<b>24,877.76</b>

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.





**Edelweiss Alternative Asset Advisors Limited**

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

(Currency : Indian rupees)

**55 Risk Management (Continued)**

**F Market Risk (Continued)**

**(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	2022-23					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
INR	25	(5.50)	-	25	5.50	-

Currency of borrowing / advances	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
INR	25	(5.50)	-	25	5.50	-

**(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	2022-23					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
USD	5	150.32	-	5	(150.32)	-

Currency	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
USD	5	68.82	-	5	(68.82)	-

**(iii) Equity Price Risk**

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

Impact on	2022-23					
	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	14.12	-	5	(14.12)	-

Impact on	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)	-



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

(Currency : Indian rupees)

**55 Risk Management (Continued)**  
**F Market Risk (Continued)****(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	2022-23					
	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	696.32	-	5	(696.32)	-
NCDs	5	940.85	-	5	(940.85)	-
Pass through certificates	5	13.84	-	5	(13.84)	-

Impact on	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)	-
Pass through certificates	5	30.85	-	5	(30.85)	-



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency : Indian rupees)

**55 Risk Management (Continued)**

**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, 2023			March 31, 2022		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cash equivalent	14,535.38	-	14,535.38	466.02	-	466.02
Bank balances other than cash and cash equivalents	410.10	-	410.10	110.56	-	110.56
Loans	3.10	-	3.10	1,111.29	-	1,111.29
Trade receivables	6,883.04	-	6,883.04	5,902.10	-	5,902.10
Investments	55,754.77	282.31	55,472.45	16,731.24	4,659.71	12,071.53
Other Financial Assets	832.97	-	832.97	471.03	-	471.03
<b>Total</b>	<b>78,419.37</b>	<b>282.31</b>	<b>78,137.05</b>	<b>24,792.24</b>	<b>4,659.71</b>	<b>20,132.53</b>

Particulars	March 31, 2023			March 31, 2022		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Liabilities</b>						
Borrowings (other than Debt Securities)	3,190.26	-	3,190.26	8,486.43	-	8,486.43
Debt Securities	21,261.38	-	21,261.38	-	-	-
Trade payables	17,618.78	-	17,618.78	2,367.45	-	2,367.45
Other financial liabilities	15,464.97	-	15,464.97	4,491.44	-	4,491.44
<b>Total</b>	<b>57,535.39</b>	<b>-</b>	<b>57,535.39</b>	<b>15,345.32</b>	<b>-</b>	<b>15,345.32</b>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 56 Unconsolidated structured entities

These are entities that do not meet consolidation criteria explained Note 5.1.3 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	
	March 31, 2023	March 31, 2022
Investments	13,926.36	1,526.87
Trade Receivables	3,567.55	5,093.21
Other financial assets	472.24	283.47
<b>Total Assets</b>	<b>17,966.15</b>	<b>6,903.55</b>
Off-balance sheet exposure	26,318.21	1,202.89
Size of the structured entities	13,60,539.93	14,02,305.00
Income from the structured entities	16,850.79	14,866.50

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

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income from those structure entities	16,850.79	14,866.50
Type of income	Investment Management Fees	Investment Management Fees
Carrying amount of assets transferred to those structured entities during the period	-	-



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency : Indian rupees)

**57 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	
	March 31, 2023	March 31, 2022
Advertisement and business promotion	13.18	49.23
Travelling & Conveyance	0.61	-
Membership & Subscription	14.73	-
Database Chgs	23.50	-
	52.02	49.23

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

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Advisory and other fees	2,533.98	3,236.06
	2,533.98	3,236.06

58 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.

**59 Previous year comparatives**

Previous year figures have been regrouped and rearranged wherever necessary.





**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**60 Key Ratios**

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Net profit ratio	28.31%	22.66%
Debt Equity Ratio	0.53	0.55
Debt Service Coverage Ratio	6.76	1.25

**Notes:**

- i) Net profit ratio = Profit after Tax / Total Income
- ii) Debt-equity Ratio = Total debt (Debt securities + Borrowings other than debt securities) / Net worth
- iii) Debt Service Coverage Ratio = Earnings before interest and tax/ (Interest Expense + Principal repayment in next six months)

Current Ratio, Return on Equity Ratio, Inventory turnover ratio, Trade Receivables turnover ratio, Trade payables turnover ratio, Net capital turnover ratio, Return on Capital employed and Return on investment are not applicable owing to the business model of the Company.

**61 Corporate social responsibility**

As per the provisions of Section 135 of the Companies Act, 2013, the Company is not required to spend any amount during the year

**62 Declaration of Dividend**

During the year, Company has not declared or paid any dividend.



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency : Indian rupees)

**63** 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.

**64 Other Additional Regulatory Information**

**(i) 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.

**(ii) 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

**(iii) 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.

**(iv) Security of current assets against borrowings**

The Company has borrowed from Market Linked Debentures & Non Convertible Debentures on the basis of security of current assets and the quarterly returns filed by the Company with the lenders are in agreement with the books of accounts of the company.

**(v) Wilful Defaulter**

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

**(vi) Relationship with Struck off Companies**

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

**(vii) Relationship with Struck off Companies**

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

**(viii) 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.

**(ix) 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



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency : Indian rupees)

(x) **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).

(xi) **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.

As per our report of even date attached

**For GMJ & Co.**

Chartered Accountants

Firm's Registration No.: 103429W



**Haridas Bhat**

Partner

Membership No: 039070



**For and on behalf of the Board of Directors**



**Priyadeep Chopra**

Non-executive Director

DIN: 00079353



**Hemal Mehta**

Chief Financial Officer



**Sushanth Nayak**

Whole Time Director

DIN.: 02857645



**Deepak Mukhija**

Company Secretary

Mumbai

May 15, 2023

Mumbai

May 15, 2023

