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(Strictly Privileged &amp; Confidential)

(This Placement Memorandum /Private Placement Offer cum application form is neither a Prospectus nor a Statement in Lieu of Prospectus and the disclosures stipulated here are applicable for private placement)

**ADDRESSED TO**
**TRUST CAPITAL SERVICES (INDIA) PRIVATE LIMITED**

1101, Naman Centre, BKC, Bandra (E)

Mumbai 400 051, Maharashtra

**Dated: June 16,2022**

<b>Name of Company</b>	EDELWEISS ALTERNATIVE ASSET ADVISORS LIMITED
<b>Permanent Account Number</b>	AABCE9810G
<b>Date of Incorporation</b>	May 14, 2008
<b>Place of incorporation</b>	Mumbai
<b>Latest Registration/identification number issued by any regulatory authority which regulates such issuer (viz. Reserve Bank of India, IRDAI etc), if applicable</b>	None
<b>Description of Company</b>	Edelweiss Alternative Asset Advisors Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India.
<b>Corporate Identity Number</b>	U67190MH2008PLC182205
<b>Registered Office</b>	Edelweiss House, off. C.S.T Road, Kalina, Mumbai 400098 Tel: +91 22 4009 4400
<b>Corporate Office</b>	Edelweiss House, off. C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India. Tel: +91 22 4009 4400/ +91 22 4088 6310;
<b>E-mail</b>	<a href="mailto:alternativescompliance@edelweissalts.com">alternativescompliance@edelweissalts.com</a>
<b>Website</b>	<a href="http://www.edelweissalternative.com">www.edelweissalternative.com</a>
<b>Name, telephone number, email address of Compliance Officer</b>	Mr. Deepak Mukhija Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India. E-mail: <a href="mailto:alternativescompliance@edelweissalts.com">alternativescompliance@edelweissalts.com</a> Tel: +91 22 4009 4400
<b>Name, telephone number, email address of Company Secretary</b>	Mr. Deepak Mukhija Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India. E-mail: <a href="mailto:alternativescompliance@edelweissalts.com">alternativescompliance@edelweissalts.com</a> Tel: +91 22 4009 4400
<b>Name, telephone number, email address of Chief Financial Officer</b>	Mr. Hemal Mehta Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India. Tel: +91 22 4009 4400 Email ID: <a href="mailto:hemal.mehta@edelweissalts.com">hemal.mehta@edelweissalts.com</a>
<b>Name, telephone number, email address of Promoters</b>	Edelweiss Securities and Investments Private Limited Edelweiss House, Off CST Road, Kalina, Mumbai- 400098 Tel: + 91 22 4009 4400 Email: <a href="mailto:alternativescompliance@edelweissalts.com">alternativescompliance@edelweissalts.com</a> Email: <a href="http://www.edelweissfin.com">www.edelweissfin.com</a>
<b>Credit rating agency to the issue</b>	 An S&P Global Company CRISIL Ratings Limited

	CRISIL House, Hiranandani Business Park Powai, Mumbai Contact Person: Nikeeta Kalan, Manager Contact No: 9820904056 Email Address: <a href="mailto:niketa.kalan@crsil.com">niketa.kalan@crsil.com</a>
Debtenture Trustee for the issue	 <b>Catalyst Trusteeship Limited</b> Windsor, 6 <sup>th</sup> Floor, Office No.604 C.S.T. Road, Kalina, Santacruz (East) Mumbai - 400098 Tel.no. - +91 022 4922 0555 Email - <a href="mailto:ComplianceCTL-Mumbai@ctltrustee.com">ComplianceCTL-Mumbai@ctltrustee.com</a> Website - <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a> Contact Person - Mr. Umesh Salvi, Managing Director
Date of the placement memorandum	June 16, 2022
Type of placement memorandum.	Private Placement Memorandum
The nature, number, price and amount of securities offered and issue size (base issue or green shoe), as may be applicable	issue by way of private placement by Edelweiss Alternative Asset Advisors Limited (the “Company”/“Issuer”) of 200 (two hundred) listed, secured, rated, market linked, principal protected, redeemable, non-convertible debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh), up to an aggregate amount of INR 20,00,00,000 (Indian Rupees Twenty Crores only) proposed to be issued in terms of the Private Placement Memorandum with a green shoe option by issuing 100 (one hundred) listed, secured, rated, market linked, principal protected, redeemable, non-convertible debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh), up to an aggregate amount of INR 10,00,00,000 (Indian Rupees Ten Crores only) aggregating to an amount of INR 30,00,00,000 (India Rupees Thirty Crores only) (The “Issue”)
The aggregate amount proposed to be raised through all the stages of offers of nonconvertible securities made through the shelf placement memorandum;	Not Applicable
Registrar of the issue	 Link Intime India Private Limited C-101,1 <sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli West, Mumbai – 400083 Tel No.: +91 22 49186270 Fax No.: +91 22 49186060 Website: <a href="http://linkintime.co.in">linkintime.co.in</a> Email ID: <a href="mailto:amit.dabhade@linkintime.co.in">amit.dabhade@linkintime.co.in</a>
The Issue Schedule	
(i) date of opening of the issue;	June 16, 2022
(ii) date of closing of the issue;	June 16, 2022
(iii)date of earliest closing of the issue, if any	N.A
Credit rating	PPMLD AA- r /Negative by CRISIL Rating Limited
Cross reference of press release for Credit Rating	Please refer ‘Annexure I’ for detailed press release for Credit Rating.

<b>All the ratings obtained for the private placement</b>	PPMLD AA- r /Negative by CRISIL Rating Limited
<b>The name(s) of the stock exchanges where the securities are proposed to be listed</b>	BSE Limited
<b>The details about eligible investors;</b>	<p>The following categories of investors, when specifically approached are eligible to apply for this private placement of Debentures</p> <ul style="list-style-type: none"> <li>• Individuals</li> <li>• Hindu Undivided Family</li> <li>• Trust</li> <li>• Limited Liability Partnerships</li> <li>• Partnership Firm(s)</li> <li>• Portfolio Managers registered with SEBI</li> <li>• Association of Persons</li> <li>• Companies and Bodies Corporate including Public Sector Undertakings.</li> <li>• Commercial Banks</li> <li>• Regional Rural Banks</li> <li>• Financial Institutions</li> <li>• Insurance Companies</li> <li>• Mutual Funds</li> <li>• FPIs /FIIs/sub-accounts of FIIs as per applicable laws, Rules &amp; Regulations</li> <li>• Any other investor eligible to invest in these Debentures</li> </ul>
<b>Coupon Rate</b>	Not Applicable
<b>Coupon payment frequency</b>	On Maturity
<b>Redemption date</b>	15 June 2024
<b>Redemption amount</b>	Face Value* [ ((1+Coupon Rate)^(No. of Years)) -1] / per debenture
<b>Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable</b>	<p>issue by way of private placement by the Issuer of 200 listed, secured, rated, market linked, principal protected, redeemable, non-convertible debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh), up to an aggregate amount of INR 20,00,00,000 (Indian Rupees Twenty Crores only) proposed to be issued in terms of the Private Placement Memorandum with a green shoe option by issuing 100 (one hundred) listed, secured, rated, market linked, principal protected, redeemable, non-convertible debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh), up to an aggregate amount of INR 10,00,00,000 (Indian Rupees Ten Crores only) aggregating to an amount of INR 30,00,00,000 (India Rupees Thirty Crores only) (the "Issue").</p>
<b>Details about underwriting of the issue including the amount undertaken to be underwritten by the underwriters</b>	Not Applicable
<b>Compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable</b>	Not Applicable
<b>Issuer or any of its promoters or directors is a wilful defaulter</b>	The Company and none of its Promoters and Directors are wilful defaulters.

**PRIVATE PLACEMENT OFFER CUM APPLICATION FORM FOR ISSUE BY WAY OF PRIVATE PLACEMENT BY THE ISSUER OF 200 SECURED, LISTED, RATED, REDEEMABLE, PRINCIPAL PROTECTED, MARKET LINKED, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs. 10,00,000/- EACH AGGREGATING TO INR 20,00,00,000 (INDIAN RUPEES TWENTY CRORES ONLY) WITH A GREEN SHOE OPTION BY ISSUING 100 (ONE HUNDRED) LISTED, SECURED, RATED, MARKET LINKED, PRINCIPAL PROTECTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, EACH HAVING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKH), UP TO AN AGGREGATE AMOUNT OF INR 10,00,00,000 (INDIAN RUPEES TEN CRORES ONLY) AGGREGATING TO AN AMOUNT OF INR 30,00,00,000 (INDIA RUPEES THIRTY CRORES ONLY) (THE “ISSUE”).**

**THESE DEBENTURES TO BE ISSUED DO NOT FORM PART OF NON-EQUITY REGULATORY CAPITAL MENTIONED UNDER CHAPTER V OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED.**

**THE FACE VALUE OF EACH DEBENTURE TO BE ISSUED ON PRIVATE PLACEMENT BASIS IS INR 10,00,000 (INDIAN RUPEES TEN LAKH).**

#### **GENERAL RISKS**

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to “Management’s Perception of Risk Factors” and “External Risk Factors” contained under Point No. 22 and 23 of this Placement Memorandum respectively. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor’s decision to purchase such securities.

#### **GENERAL DISCLAIMER**

This Placement Memorandum is neither a prospectus nor a statement in lieu of prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures to be issued by Company. This Placement Memorandum is for the exclusive use of the intended recipient(s) to whom it is addressed and delivered, and it should not be circulated or distributed to third parties. It cannot be acted upon by any person other than to whom it has been specifically addressed. Multiple copies hereof given to the same person / entity shall be deemed to be offered to the same person.

Potential investors to Debentures must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt and are able to bear the economic/commercial risk of investing in Debentures. It is the responsibility of the prospective subscriber to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for and purchase the Debentures. It is the responsibility of the prospective subscriber to verify if they have necessary power and competence to apply for the Debentures under the relevant laws and regulations in force. Potential investors should conduct their own investigation, due diligence and analysis before applying for the Debentures. Nothing in this Placement Memorandum should be construed as advice or recommendation by the Issuer to subscribe to / invest in the Debentures. Potential investors should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Debentures and matters incidental thereto.

No person has been authorized to give any information or to make any representation not contained in this Placement Memorandum or in any material made available by the Company to any potential investors pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Company. This Placement Memorandum is not intended for distribution to any person other than those to whom it is specifically addressed to and should not be reproduced by the recipient. Only the person to whom a copy of this Placement Memorandum Placement Memorandum is sent is entitled to apply for the Debentures. Any application by a person to whom the Placement Memorandum and/or the application form not been sent by the Company shall be rejected.

This Placement Memorandum does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

#### SEBI DISCLAIMER

It has to be distinctly understood that this Placement Memorandum should not in any way be deemed/construed to have been approved or vetted by SEBI and this issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Placement Memorandum

#### MEMORANDUM OF PRIVATE PLACEMENT

This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus. This is only an information brochure, in the form of a single initial Placement Memorandum, intended for private use and should not be construed to be a prospectus and/or an invitation to the public for subscription to Debentures under any law for the time being in force. The Issuer however retains the right, at its sole and absolute discretion, to change the 'GENERAL TERMS AND CONDITIONS'.

#### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading.

#### CREDIT RATING AGENCY DISCLAIMER CLAUSE

"PPMLD AA-r/Negative" rating has been assigned by CRISIL Ratings Limited for INR 300,00,00,000 (Indian Rupees Three Hundred Crore) long term principal protected market linked debentures programme of our Company. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The letters 'PP-MLD' suffixed to a rating symbol stand for 'Principal Protected Market Linked Debentures'. The present issue is part of the aforesaid programme of INR 30,00,00,000 (Indian Rupees Thirty Crores only).

The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. The credit rating and rationale issued by CRISIL Ratings Limited is annexed as '**Annexure - I**' to this placement memorandum.

#### LISTING

The Debentures to be issued under this placement memorandum are proposed to be listed on the wholesale debt market segment ("**WDM**") of the BSE Limited ("**BSE**"). The BSE has given its 'in-principle' approval to list the Debentures vide its letter dated June 16, 2022.

#### ISSUE PROGRAMME\*

**ISSUE OPENS ON: June 16, 2022**

**ISSUE CLOSES ON: June 16, 2022**

\*The Company reserves the right to extend or close the Issue earlier from the aforesaid dates or change the Issue schedule including the Deemed Date of Allotment at its sole and absolute discretion, without giving any reasons or prior notice.

**DISCLOSURES AS PER FORM PAS-4**  
**Pursuant to Section 42 of Companies Act, 2013 and Rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014**

The table below sets out the disclosure requirements as provided in PAS-4 and the relevant reference in this Placement Memorandum where these disclosures, to the extent applicable, have been provided.

Sr. No.	Particulars	Reference
Part –A	<b>PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER:</b>	
1.	<b>GENERAL INFORMATION:</b>	
i.	Name, address, website and other contact details of the company indicating both registered office and corporate office;	Serial No. 7
ii.	Date of incorporation of the company;	Serial No. 7
iii.	Business carried on by the company and its subsidiaries with the details of branches or units, if any;	Serial No. 8
iv.	Brief particulars of the management of the company;	Serial No. 13(a)
v.	Names, addresses, DIN and occupations of the directors;	Serial No. 13(b)
vi.	Management’s perception of risk factors;	Serial No. 22
vii.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of –  i) statutory dues; ii) debentures and interest thereon; iii) deposits and interest thereon; iv) loan from any bank or financial institution and interest thereon.	Serial No. 24 k
viii.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process;	Serial No. 7
ix.	Any Default in Annual filing of the Company under the Companies Act, 2013, or the rules made thereunder.	No
2	<b>PARTICULARS OF THE OFFER:</b>	
i.	Financial position of the Company for the last 3 financial years;	Serial No. 9
ii.	Date of passing of board resolution;	17 January 2022
iii.	Date of passing of resolution in the general meeting, authorizing the offer of securities;	17 January 2022
iv.	Kinds of securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued;	200 (two hundred) listed, secured, rated, market linked, principal protected, redeemable, non-convertible debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh), up to an aggregate amount of INR 20,00,00,000 (Indian Rupees

Sr. No.	Particulars	Reference
		Twenty Crores only) proposed to be issued in terms of the Private Placement Memorandum with a green shoe option by issuing 100 ((one hundred)) listed, secured, rated, market linked, principal protected, redeemable, non-convertible debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh), up to an aggregate amount of INR 10,00,00,000 (Indian Rupees Ten Crores only) aggregating to an amount of INR 30,00,00,000 (India Rupees Thirty Crores only).
v.	Price at which the security is being offered including the premium, if any, along with justification of the price;	Issued at Face value of Rs. 10,00,000/- each Debenture
vi.	Name and address of the valuer who performed valuation of the security offered, and basis on which the price has been arrived at along with report of the registered valuer;	Not Applicable
vii.	Relevant date with reference to which the price has been arrived at: [ <b>Relevant Date</b> means a date at least thirty days prior to the date on which the general meeting of the company is scheduled to be held.]	Not Applicable
viii.	The class or classes of persons to whom the allotment is proposed to be made;	Refer Summary Term sheet
ix.	Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer);	Not Applicable in case of issuance of non-convertible debentures
x.	The proposed time within which the allotment shall be completed;	June 16, 2022
xi.	The names of the proposed allottees and the percentage of post private placement capital that may be held by them;	Not Applicable in case of issuance of

Sr. No.	Particulars	Reference
		non-convertible debentures
xii.	The change in control, if any, in the company that would occur consequent to the private placement;	Not Applicable
xiii.	The number of persons to whom allotment on preferential basis / private placement / rights issue has already been made during the year, in terms of number of securities as well as price;	Not Applicable
xiv.	The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer;	Not Applicable
xvi.	Amount which the Company intends to raise by way of proposed offer of securities;	200 (two hundred) listed, secured, rated, market linked, principal protected, redeemable, non-convertible debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh), up to an aggregate amount of INR 20,00,00,000 (Indian Rupees Twenty Crores only) proposed to be issued in terms of the Private Placement Memorandum with a green shoe option by issuing 100 (one hundred) listed, secured, rated, market linked, principal protected, redeemable, non-convertible debentures, each having a face value of INR 10,00,000 (Indian Rupees Ten Lakh), up to an aggregate amount of INR 10,00,00,000 (Indian Rupees Ten Crores only)

Sr. No.	Particulars	Reference
		aggregating to an amount of INR 30,00,00,000 (India Rupees Thirty Crores only)
xvii.	Terms of raising of securities: (a) duration; if applicable (b) rate of dividend; (c) rate of interest; (d) mode of payment; and (e) repayment.	Please refer to 'Annexure II'
xviii.	Proposed time schedule for which the private placement offer cum application form is valid;	June 16, 2022
xix.	Purposes and objects of the offer;	<ul style="list-style-type: none"> <li>• towards working capital requirements for the Issuer's business activities/ general corporate purposes for day to day operations and refinancing of Existing Facilities;</li> <li>• towards investments (like equity/ NCDs &amp; AIF Units and other securities in new / existing funds set up / managed by the Issuer or any investee companies).</li> </ul>
Xx.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects;	None
Xxi.	Principle terms of assets charged as security, if applicable;	Please refer to 'Annexure II'
Xxii.	The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the Company and its future operations;	None
Xxiii.	The pre-issue and post-issue shareholding pattern of the Company;	Please refer to 'Annexure III'
3	<b>MODE OF PAYMENT FOR SUBSCRIPTION:</b> <ul style="list-style-type: none"> <li>• Cheque; or</li> <li>• Demand Draft; or</li> <li>• Other Banking Channels.</li> </ul>	Other Banking Channel - Serial No. 24 (I)
4	<b>DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC:</b>	

Sr. No.	Particulars	Reference
i.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	No
ii.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree Company during the last three years immediately preceding the year of the issue of the private placement offer cum application form and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	Serial No. 17(b)
iii.	Remuneration of directors (during the current year and last three financial years);	Serial No. 24 k(ii)
iv.	Related party transactions entered during the last three financial years immediately preceding the year of issue of private placement offer cum application form including with regard to loans made or, guarantees given or securities provided;	Serial No. 24 k (iii)
v.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of issue of private placement offer cum application form and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark;	Serial No. 24 k (iv)
vi.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous Company law in the last three years immediately preceding the year of issue of private placement offer cum application form in the case of Company and all of its subsidiaries, and if there were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of the private placement offer cum application form and if so, section-wise details thereof for the Company and all of its subsidiaries;	Serial No. 24 k (v)
vii.	Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.	Serial No. 24 k(vii)
5	<b>FINANCIAL POSITION OF THE COMPANY:</b>	
A	The capital structure of the company in the following manner in a tabular form- a. the authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value); b. size of the present offer; c. Paid-up capital (i) after the offer (ii) after conversion of convertible instruments (if applicable) d. share premium account (before and after the offer)	Serial No. 11(a)
B	the details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration	Serial No. 11(b)
C	Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application form;	Serial No. 24(k)(viii)
D	Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid)	Serial No. 24(k)(ix)
E	A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application form;	Serial No. 9(c)
F	Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application form;	Serial No. 24(k)(x)

Sr. No.	Particulars	Reference
G	Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company.	Serial No. 24(k)(xi)
Part – B	<b>Application Form</b>	
6.	<b>A DECLARATION BY THE DIRECTORS</b>	Serial No. 28



Edelweiss  
 Ideas create, values protect

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5.	Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s).
6.	Issue Schedule
7.	Issuer Information
8.	Brief Summary of the Business/Activities of the Issuer and its Subsidiaries with the details of branches or units, if any and its line of business
9.	Financial Information
10.	Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability
11.	Brief history of the Issuer
12.	Details of the Shareholding Pattern of the Company
13.	Brief particulars of the management of the Company
14.	Details of Auditors of the Company
15.	Details of Liabilities of the Company
16.	Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past three years including the current financial year
17.	Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the non-convertible securities
18.	Corporate Guarantee or Letter of Comfort or any other document/letter with same intent
19.	Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention
20.	Disclosures pertaining to wilful defaulter
21.	Undertaking by the Issuer
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## 1. DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

Term	Description
<b>“Edelweiss Alternative Asset Advisors Limited” or “EAAA” or the “Company” or the “Issuer”</b>	Edelweiss Alternative Asset Advisors Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Edelweiss House, off. C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India.
<b>Articles of Association</b>	Articles of Association of the Company, as amended from time to time.
<b>Board of Directors/Board</b>	The Board of Directors of the Company and includes committee thereof.
<b>Memorandum of Association</b>	The Memorandum of Association of the Company, as amended from time to time.
<b>Promoter(s)/Holding Company</b>	Edelweiss Securities and Investments Private Limited
<b>Placement Memorandum</b>	Offer Document / Placement Memorandum / Private Placement Offer cum application Form / Offer Letter as per Form no. PAS-4 pursuant to Section 42 of the Companies Act, 2013, Rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and SEBI regulations.

### Issue Related Terms

Term	Description
<b>Affiliate (s)</b>	Affiliate (s) shall mean with respect to any person, any other person directly or indirectly Controlling, Controlled by, or under direct, indirect or common Control with, such person.
<b>AGM</b>	Annual General Meeting
<b>Application Form</b>	The form in which an investor can apply for subscription to the Debentures.
<b>Stock Exchange</b>	BSE Limited
<b>Bankers to the Issue</b>	The banker to the Issue, in this case being ICICI Bank Limited, as the case may be
<b>Beneficial Owner(s)</b>	Holder(s) of the Debentures in dematerialized form as defined under section 2 of the Depositories Act.
<b>CDSL</b>	Central Depository Services (India) Limited.
<b>Companies Act</b>	Companies Act, 2013 and amendments made thereunder.
<b>Credit Rating Agency</b>	CRISIL Ratings Limited
<b>Events of Default</b>	The occurrence of any one of the events as mentioned in the Trust Deed shall constitute an Event of Default.
<b>Debentures</b>	200 (TWO HUNDRED) SECURED, LISTED, RATED, REDEEMABLE, PRINCIPAL PROTECTED, MARKET LINKED, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF Rs. 10,00,000/- EACH AGGREGATING TO INR 20,00,00,000 (INDIAN RUPEES TWENTY CRORES ONLY) WITH A GREEN SHOE OPTION BY ISSUING 100 (ONE HUNDRED) LISTED, SECURED, RATED, MARKET LINKED, PRINCIPAL PROTECTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES, EACH HAVING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKH), UP TO AN AGGREGATE AMOUNT OF INR 10,00,00,000 (INDIAN RUPEES TEN CRORES ONLY) AGGREGATING TO AN AMOUNT OF INR 30,00,00,000 (INDIAN RUPEES THIRTY CRORES ONLY) (THE “ISSUE”)
<b>Debenture Holders</b>	Persons who are for the time being holders of the Debentures and whose names are last mentioned in the Debentures / Debenture Register and shall include Beneficiaries.

<b>Debenture Trust Deed</b>	Debenture Trust Deed between the Company and Catalyst Trusteeship Limited (the Debenture Trustees)
<b>Depository(ies)</b>	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended from time to time, in this case being NSDL and CDSL.
<b>Depositories Act</b>	The Depositories Act, 1996, as amended from time to time.
<b>Placement Memorandum</b>	This Placement Memorandum /Private Placement Offer cum application form through which the Debentures are offered on private placement basis
<b>DP-ID</b>	Depository Participant Identification Number.
<b>EGM</b>	Extra -ordinary General Meeting
<b>Equity Shares</b>	Equity shares of the Company of face value of Rs. 10 each.
<b>Gilts or Government Securities'</b>	Means securities created and issued by the Central Government and/or State Government (including treasury bill) or Government Securities as defined in the Public Debt Act, 1944 as amended from time to time.
<b>G-Sec</b>	Government security (G-Sec) means a security created and issued by the Government for the purpose of raising a public loan or any other purpose as notified by the Government in the Official Gazette and having one of the following forms. i. a Government Promissory Note (GPN) payable to or to the order of a certain person; or ii. a bearer bond payable to a bearer; or iii. a stock; or a bond held in a Bond Ledger Account (BLA).
<b>GLD</b>	G-Sec Linked Debenture
<b>NSE INDICES LIMITED (erstwhile IISL)</b>	NSE Indices Limited (erstwhile India Index Services and Products Limited) - Reference Index Calculating Agent
<b>INR / Rs. / Rupees</b>	Currency of Republic of India
<b>Investors</b>	Persons who fall under the category of eligibility to whom this Placement Memorandum may be sent with a view to offering the Debentures on Private Placement basis.
<b>ISIN</b>	International Securities Identification Number
<b>Majority Debentureholders</b>	Such number of Debentureholders holding more than 51% of the outstanding nominal value of the Debentures issued under each Placement Memorandum(s)
<b>Market Linked Debentures</b>	Including but not limited to G-Sec Linked Debentures (GLD), Nifty Linked Debentures (NLD) or Commodity Linked Debentures or as may be specified otherwise
<b>NPA</b>	Non-Performing Asset
<b>NEFT</b>	National Electronic Fund Transfer
<b>NLD</b>	Nifty Linked Debenture
<b>NSDL</b>	National Securities Depository Limited.
<b>NSE</b>	National Stock Exchange of India Limited.
<b>PAN</b>	Permanent Account Number.
<b>Preference Shares</b>	Preference shares of the Company of face value of Rs. 10 each.
<b>Private Placement</b>	Private Placement means any offer of securities or invitation to subscribe securities to a select group of persons by a Company (other than by way of public offer) through issue of a Private Placement Offer cum application form and which satisfies the conditions specified in the Section 42 of the Companies Act, 2013 read with Rules framed thereunder
<b>PAS</b>	Prospectus and Allotment of Securities
<b>RBI</b>	Reserve Bank of India

<b>Registered Debenture Holder</b>	The Debenture holder whose name appears in the Register of Debenture Holders or in the beneficial ownership record furnished by NSDL/CDSL for this purpose.
<b>Register of Debenture Holders</b>	The register maintained by the Company containing the name of Debenture holders entitled to receive coupon/redemption amount in respect of the Debentures on the Record Date, which shall be maintained at the Corporate Office.
<b>Redemption Date</b>	15 June 2024
<b>Reference Index</b>	Reference Index is an Index prepared and managed by the Index Administrator which tracks the performance of a select portfolio of listed equity stocks, underlying securities / indices (as the case may be) that are available for trading on the Stock Exchange. This Index covers major sectors of the Indian economy and offers investors exposure to Indian market in one efficient portfolio. This index is not available for trading in the derivatives/cash segments directly.
<b>RTGS</b>	Real Time Gross Settlement
<b>SEBI</b>	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
<b>SEBI Act</b>	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
<b>Security Documents</b>	Security documents entered into for creation of security for the benefit of the Debenture Holders.
<b>Valuation Agency</b>	The Company has entered into valuation agreement(s) with SEBI registered credit rating agencies namely M/s. CRISIL Ratings Limited (Registration No. IN/CRA/001/1999). The details of Valuation Agent and the website link of the Valuation Agent where the Valuation (latest and historical) shall be available will be communicated by the Issuer to the Debenture holders. Such communication shall form part of this Placement Memorandum. The valuation Agent will publish the valuation on its website at least once every calendar week. The valuation of the Debentures shall be available at the Issuer's website and on the website of the Valuation Agency within 7 working days from Deemed Date of Allotment. Upon request by any Debenture Holder for the value of the Debentures, the Issuer shall arrange to provide the same. The Company reserves the right to change the Valuation Agent at its sole and absolute discretion, during the tenure of the Debentures without giving any reasons or prior notice to the Debenture holders. The Issuer shall inform about such change as and when it occurs to the Debenture holders
<b>Working Days</b>	All days except Saturday, Sunday and any public holiday.
<b>Wilful Defaulter</b>	Wilful defaulter means an Issuer who is categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an Issuer whose director or promoter is categorized as such.
<b>WDM</b>	Wholesale debt market

## 2. Regulatory Reference

Disclosures as per Form no.PAS-4 pursuant to section 42 and rule 14(3) of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 and SEBI (Issue And Listing Of Non-Convertible Securities) Regulations, 2021 dated August 9, 2021 and SEBI Circular bearing reference no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 and SEBI Circular bearing reference no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 and SEBI Circular bearing reference no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 and SEBI Circular bearing reference no. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020, SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 as may be amended from time to time and Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures dated 28 September 2011 (bearing reference no. Cir. /IMD/DF/17/2011), as amended from time to time.

### 3. Details of Promoters of the Issuer:

<b>Sr. No</b>	<b>Name of the Promoter</b>	Edelweiss Securities and Investments Private Limited (“ESIPL”)
<b>1</b>	<b>Date of Birth/ Date of Incorporation</b>	September 4, 2009
<b>2</b>	<b>Age</b>	N.A.
<b>3</b>	<b>Registered Office Address</b>	Edelweiss House, Off. C.S.T. Road Kalina Mumbai 400 098
<b>4</b>	<b>Educational Qualifications</b>	N.A.
<b>5</b>	<b>Experience in the business or employment</b>	The Company is engaged in the business of investment and trading in securities and commodities
<b>6</b>	<b>Positions/posts held in the past</b>	N.A.
<b>7</b>	<b>Directorships held</b>	N.A.
<b>8</b>	<b>Other ventures of each promoter</b>	<b>ESIPL has Equity investments in:</b>  Edelweiss Asset Reconstruction Limited Sekura India Management Limited Edelweiss Real Assets Managers Limited  Apart from Equity investment stated above, ESIPL also acts as the Sponsor for the various Alternative Investment Funds for which EAAA acts as the Investment Manager.
<b>9</b>	<b>Special Achievements</b>	None
<b>10</b>	<b>Business and Financial activities</b>	The Company is engaged in the business of investment and trading in securities and commodities
<b>11</b>	<b>Photograph</b>	N.A.
<b>12</b>	<b>Permanent Account Number</b>	AAGCM1793D

A declaration confirming that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters as applicable and Permanent Account Number of directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document:

We confirm that the requisite details for promoters and directors have been submitted to stock exchange at the time of seeking in-principle approval.

#### 4. Details of credit rating along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue

The credit rating is PPMLD AA- r /Negative and we hereby declare that the credit rating of PPMLD AA- r /Negative provided by CRISIL Ratings Limited on 4 March 2022 and re-affirmed on 29 April 2022.

The detailed press release of the Credit Rating Agencies along with rating rationale(s) adopted is attached as ‘Annexure I’

#### 5. Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s).

The non-convertible debentures are proposed to be listed on BSE Limited. The Company has designated BSE Limited as designated stock exchange and has maintained Recovery Expense Fund with the same.

#### 6. Issue Schedule

Particulars	Date
Issue Opening Date	June 16, 2022
Issue Closing Date	June 16, 2022

Pay in Date	June 16, 2022
Deemed Date of Allotment	June 16, 2022

## 7. ISSUER INFORMATION

<b>Date of incorporation of the company</b>	May 14, 2008
<b>Registered Office</b>	Edelweiss House, off. C.S.T. Road, Kalina, Mumbai – 400098, Maharashtra, India. Tel: +91 22 4009 4400/ +91 22 4088 6310
<b>Corporate Office</b>	Edelweiss House, off. C.S.T. Road, Kalina, Mumbai – 400098, Maharashtra, India. Tel: +91 22 4009 4400
<b>Website</b>	<a href="http://www.edelweissalternative.com">www.edelweissalternative.com</a>
<b>Compliance Officer</b>	Mr. Deepak Mukhija Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India. E-mail: <a href="mailto:alternativescompliance@edelweissalts.com">alternativescompliance@edelweissalts.com</a> Tel: +91 22 4009 4400
<b>Chief Financial Officer</b>	Mr. Hemal Mehta Edelweiss House, Off C.S.T. Road, Kalina, Mumbai – 400 098, Maharashtra, India. Tel: +91 22 4009 4400 Email ID:
<b>Debenture Trustee of the Issue</b>	<b>CATALYST TRUSTESHIP LIMITED</b> Catalyst Trusteeship Limited Windsor, 6th Floor, Office No.604, C.S.T. Road, Kalina, Santacruz (East) Mumbai - 400098 Tel.no. - +91 022 4922 0555 Email - <a href="mailto:ComplianceCTL-Mumbai@ctltrustee.com">ComplianceCTL-Mumbai@ctltrustee.com</a> Website - <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a> Contact Person - Mr. Umesh Salvi, Managing Director
<b>Credit Rating Agency of the Issue</b>	CRISIL Ratings Limited CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076 Contact Person: Malvika Bhotika Contact no: +91 22 3342 3000 Email Address: <a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a> Website: <a href="http://www.crisilratings.com">www.crisilratings.com</a>
<b>Registrar of the Issue</b>	Link Intime India Private Limited C-101,1st Floor, 247 Park , Lal Bahadur Shastri Marg, Vikhroli West, Mumbai – 400083 Tel No.: +91 22 49186270 Fax No.: +91 22 49186060 Contact person: Ms. Avani Ghate Website: <a href="http://linkintime.co.in">linkintime.co.in</a>
<b>Statutory Auditors of the Issuer</b>	M/s. GMJ & Co., Chartered Accountants Address: 3rd & 4th Floor, Vasstu Darshan, B Wing, Above Central Bank of India, Azad Road, Andheri (East), Mumbai - 400 069 Logo (if any): Website: Mr. Haridas Bhatt Email ID: <a href="mailto:admin@gmj.co.in">admin@gmj.co.in</a> , <a href="mailto:info@gmj.co.in">info@gmj.co.in</a> Telephone number: 022-6191 9293/222/200 Contact Person:
<b>Legal Counsel of the Issue</b>	Khaitan & Co.
<b>Guarantor of the Issue</b>	Not Applicable
<b>Arranger of the Issue</b>	Not Applicable

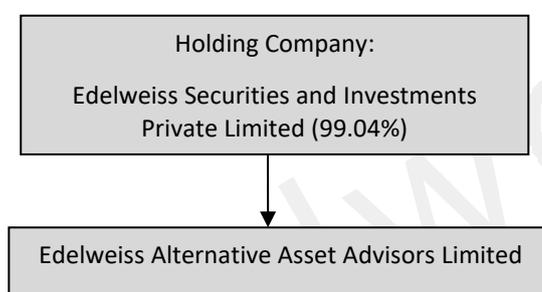
**8. A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS SUBSIDIARIES, IF ANY, WITH THE DETAILS OF BRANCHES OR UNITS, IF ANY AND ITS LINE OF BUSINESS**

**(a) A BRIEF SUMMARY OF THE BUSINESS/ ACTIVITIES OF THE ISSUER AND ITS LINE OF BUSINESS**

**i. Overview of the business of the Issuer:**

Edelweiss Alternative Asset Advisors Limited (EAAA) was incorporated in Mumbai on May 14, 2008 as a Public Limited Company with primary objective for providing investment advisory and management services. EAAA received its certificate of commencement of business on May 22, 2008 and its Registered Office is situated at Edelweiss House, Off C.S.T Road, Kalina, Mumbai - 400098, Maharashtra. The Company is primarily engaged in the business of alternative asset advisory and advises either directly or through its Affiliates, private equity, mezzanine and credit fund style alternative asset products.

**(b) Corporate Structure:**



**(c) Project Cost and means of financing, in case of funding of new projects: Not Applicable**

**9. Financial Information**

**a. Audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and consolidated basis for a period of three completed years**

<b>Ind AS Standalone Statement of Asset &amp; Liabilities</b> <i>(Currency: Indian Rupees in lakhs)</i>	<b>As at</b> <b>March 31, 2022</b>	<b>As at</b> <b>March 31, 2021</b>	<b>As at</b> <b>March 31, 2020</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, Plant and Equipment	85.53	76.80	40.44
Other Intangible assets	102.05	113.90	276.02
Intangible assets under development	6.40	13.20	
<b>Financial assets</b>			
(i) Investments	10989.79	207.17	235.15
(ii) Loans	-	26.07	9.14
(iii) Other financial assets	12.20	11.30	-
Current tax assets (net)	1128.15	451.48	716.07
Deferred tax assets (net)	-	93.50	56.18
Other non current assets	4416.87	3503.97	3768.60
	<b>16740.99</b>	<b>4497.39</b>	<b>5101.60</b>
<b>Current Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	466.02	1510.34	90.83
	110.56	-	-

Trade receivables	5902.10	607.50	2811.86
Loans	1111.29	2501.16	-
Investments	5741.45	1751.86	-
Other financial assets	458.83	374.41	462.50
Current tax assets (net)	421.74	676.50	566.11
Other current assets	1007.93	743.29	617.82
	15219.92	8165.06	<b>4549.12</b>
<b>TOTAL ASSETS</b>	<b>31960.91</b>	<b>12662.45</b>	<b>9650.72</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	1237.47	1237.47	237.47
Instruments entirely equity in nature	11000.00	11000.00	-
Other equity	3213.17	(2121.86)	(3711.73)
	15450.64	10115.61	(3474.26)
<b>Liabilities</b>			
Non-current liability			
Provisions	280.93	147.76	101.04
Borrowings (other than debt securities)	5150.00	-	-
Other financial liabilities	614.24	20.98	-
Deferred tax liability (net)	58.77	-	-
Other non-current liabilities	94.41	111.63	126.13
	<b>6198.35</b>	<b>280.37</b>	<b>227.17</b>
Current liability			
Financial Liabilities			
Borrowings (other than debt securities)	3336.43	57.04	11255.88
Trade payables			
(i) Total outstanding dues of micro enterprises and small enterprises	-	0.61	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2367.45	288.98	635.75
Other financial liabilities	3877.19	1458.28	245.96
Provisions	22.87	13.29	10.37
Other current liabilities	707.98	448.28	749.85
	<b>10311.92</b>	<b>2266.47</b>	<b>12897.81</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>31960.91</b>	<b>12662.45</b>	<b>9650.72</b>

<b>Ind AS Standalone Statement of Profit &amp; Loss</b> (Currency: Indian rupees in lakhs)	<b>For the year ended</b> <b>March 31, 2022</b>	<b>For the year ended</b> <b>March 31, 2021</b>	<b>For the year ended</b> <b>March 31, 2020</b>
<b>Revenue from operations</b>			
Interest income	374.36	155.45	1.85
Revenue from Contract with customers	20169.58	14184.37	13077.26
Net gain on fair value changes	969.15	46.40	20.41
<b>Other income</b>	84.90	59.16	645.66
<b>Total Income</b>	<b>21597.99</b>	<b>14445.38</b>	<b>13745.18</b>

<b>Expenses</b>			
Finance costs	1004.52	1134.81	1255.71
Impairment on financial instruments	(0.25)	0.45	-
Employee benefits expense	10053.19	6719.86	5571.94
Depreciation, amortisation and impairment	142.93	251.21	316.38
Other expenses	5339.02	4853.89	4826.70
<b>Total expenses</b>	<b>16539.41</b>	<b>12960.22</b>	<b>11970.73</b>
<b>Profit/ (Loss) before tax</b>	<b>5058.58</b>	<b>1485.16</b>	<b>1774.45</b>
Tax expenses:			
Current tax	-	-	(1.88)
Deferred tax	165.40	(54.28)	(3.54)
<b>Profit/ (Loss) for the year</b>	<b>4893.18</b>	<b>1539.44</b>	<b>1779.87</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement Gain/ (loss) on defined benefit plans	(52.14)	67.40	7.79
Tax effect on measurement gain on defined benefit plans (OCI)	13.12	(16.97)	-
<b>Other Comprehensive Income</b>	<b>(39.02)</b>	<b>50.43</b>	<b>7.79</b>
<b>Total Comprehensive Income</b>	<b>4854.16</b>	<b>1589.87</b>	<b>1787.66</b>
<b>Earnings per equity share (Face value of ₹ 10 each):</b>			
(1) Basic (amount in ₹)	25.96	59.35	74.95
(2) Diluted (amount in ₹)	25.96	59.35	74.95

<b>Ind AS Standalone Cash Flow Statement</b>		<b>For the year ended March 31, 2022 (Audited)</b>	<b>For the year ended March 31, 2021 (Audited)</b>	<b>For the year ended March 31, 2020 (Audited)</b>
<i>(Currency: Indian rupees in lakhs)</i>				
<b>A</b>	<b>Cash flow from operating activities</b>			
	Profit/ (Loss) before taxation	5058.58	1485.16	1774.45
	<i>Adjustments for:</i>			
	Depreciation and amortisation expenses	142.93	251.22	316.38
	Impairment of financial instruments	(0.25)	0.45	-
	Provision for compensated absences	80.29	(12.92)	1.39
	Expense on Employee Stock Option Scheme & Stock Appreciation Rights	480.88	-	-
	Profit on sale of fixed assets	(4.43)	(0.05)	(17.41)
	Finance cost on lease liability	2.84	2.25	-

	Net gain on fair value changes	(941.81)	(46.40)	(20.41)
	Interest income	(374.36)	(151.28)	-
	Interest expense	713.88	1131.72	1254.93
	<b>Operating cash flow before working capital changes</b>	5158.55	2660.14	3309.33
	Add / (less): Adjustments for working capital changes			
	(Increase)/decrease in trade receivables	(5294.60)	2204.36	4658.43
	Decrease/(increase) in loans and advances	26.07	(2516.93)	29.87
	Decrease in other financial assets	(85.32)	76.79	54.90
	(Increase)/decrease in other non financial assets	(912.90)	264.63	(1578.11)
	Increase in other current assets	(264.64)	(125.47)	(270.51)
	(Decrease)/increase in trade payables	2077.86	(346.18)	26.86
	Increase in provisions	10.32	129.96	24.89

	Increase/(decrease) in other financial liabilities	2416.41	(14.50)	126.13
	Increase/(decrease) in other non-financial liabilities	608.04	1195.69	(1878.20)
	Decrease in other current liabilities	242.47	(301.57)	(183.77)
	Cash (outflow)/ inflow from operations	(1176.30)	566.78	4319.82
	Income tax paid	(421.63)	154.20	(713.40)
	<b>Net cash (used in)/ from operating activities – A</b>	3560.62	3381.12	3606.42
<b>B</b>	<b>Cash flow from investing activities</b>			
	Amount received on capital redemption & Sale of investments	25073.42	6528.39	13.91
	Purchase of Investment	(28691.55)	(8247.93)	-
	Purchase of property, plant and equipment, and intangible assets	(145.11)	(88.72)	(173.92)
	Capital expenditure towards development of intangible assets	6.40	(13.20)	-
	Sale of property, plant and equipment, and intangible assets	9.71	2.07	37.22
	Income received on investments	-	42.05	34.55

	Investment in NCD	(10212.74)	-	-
	Net cash used in investing activities - B	(13959.87)	(1777.34)	(88.24)
<b>C</b>	<b>Cash flow from financing activities</b>			
	Unsecured short term borrowings taken / Repayment	9838.07	(11199.24)	(2187.30)
	Proceeds from Issue of compulsory convertible debentures	-	11000.00	-
	Proceeds from fresh issue of equity shares	-	1000.00	-
	Interest paid (including interest paid on inter corporate deposits)	(722.54)	(1125.88)	(1308.85)
	Principal repayment of leases (Ind AS 116)	(12.28)	(6.57)	-
	Finance cost paid (IND AS 116)	(2.84)	(2.25)	-
	Interest received	365.07	149.67	-
	Net cash (used in) financing activities - C	9465.48	(184.27)	(3496.15)
	Net increase in cash and cash equivalents (A+B+C)	(933.76)	1419.51	22.03
	Cash and cash equivalents as at the beginning of the year	1510.34	90.83	68.80
	Cash and cash equivalents as at the end of the year	576.58	1510.34	90.83

#### KEY STANDALONE FINANCIALS PARAMETERS

(In lakhs)

Balance Sheet	Year ended	Year ended	Year ended
	March 31, 2022	March 31, 2021	March 31, 2020
	Audited	Audited	Audited
Net Fixed Assets	193.98	203.90	316.46
Current Assets	15219.92	8165.06	4549.12
Non-current assets	16547.01	4293.49	4785.14
Total assets	31960.91	12662.45	9650.72
Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities	6198.35	280.37	227.17
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) Other current liabilities	10311.92	2266.47	12897.81
Total liabilities	16510.27	2546.84	13124.98
Equity (equity and other equity)	15450.64	10115.61	(3474.26)
Total Equity and Liabilities	31960.91	12662.45	9650.72

Profit and Loss	Year ended	Year ended	Year ended
	March 31, 2022	March 31, 2021	March 31, 2020
	Audited	Audited	Audited
Total revenue From operations	21513.09	14386.22	13099.52
Other Income	84.90	59.16	645.66
Total Expenses	16539.41	12960.22	11970.73
Total Comprehensive Profit	4854.16	1589.87	1787.66
Profit /Loss			
Other Comprehensive Income	(39.02)	50.44	7.79
Profit/loss after tax	4893.18	1539.44	1779.87
Earnings per equity share: (a) basic;	25.96	59.35	74.95
and (b) diluted Continuing operations	25.96	59.35	74.95
Discontinued operations Total			
Continuing and discontinued			
operations			

Cash Flow	Year ended	Year ended	Year ended
	March 31, 2022	March 31, 2021	March 31, 2020
	Audited	Audited	Audited
Net cash generated from operating activities	3560.62	3381.12	3606.42
Net cash used in / generated from investing activities	(13959.87)	(1777.34)	(88.24)
Net cash used in financing activities	9465.48	(184.27)	(3496.15)
Cash and Cash Equivalents at the beginning of the year	1510.34	90.83	68.80
Balance as per statement of cash flows	576.58	1510.34	90.83

Additional information	Year ended	Year ended	Year ended
	March 31, 2022	March 31, 2021	March 31, 2020
	Audited	Audited	Audited
Net worth	15450.64	10115.61	(3474.26)
Cash and Cash Equivalents	576.58	1510.34	90.80
Current Investments	5741.45	1751.86	-
Assets Under Management			
Off Balance Sheet Assets	-	-	-
Total Debts to Total assets	26.55%	0.45%	116.63%
Debt Service Coverage Ratios	1.76	0.04	9.97
Interest Income	374.36	155.45	1.85
Interest Expense			
	1004.52	1134.81	1255.71
Interest service coverage ratio	6.04	2.31	142.39
Provisioning & Write-offs	(0.25)	0.45	Nil
Bad debts to Account receivable ratio	Nil	Nil	Nil
Gross NPA (%)	N.A.	N.A.	N.A.
Net NPA (%)	N.A.	N.A.	N.A.

Tier I Capital Adequacy Ratio (%)	N.A.	N.A.	N.A.
Tier II Capital Adequacy Ratio (%)	N.A.	N.A.	N.A.

Debt Equity Ratio	March 31, 2022	March 31, 2021	March 31, 2020
Before the Issue	0.55	0.01	(3.24)
After the Issue*	0.94		

\*Considering the entire amount proposed to be issued is subscribed

**10. Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability: Nil**

**11. A BRIEF HISTORY OF THE ISSUER**

**a. History:**

Edelweiss Alternative Asset Advisors Limited (EAAA) was incorporated in Mumbai on May 14, 2008 as a Public Limited Company with primary objective for providing investment advisory and management services. EAAA received its certificate of commencement of business on May 22, 2008 and its Registered Office is situated at Edelweiss House, Off C.S.T Road, Kalina, Mumbai - 400098, Maharashtra. The Company is primarily engaged in the business of alternative asset advisory and advises either directly or through its Affiliates, private equity, mezzanine and credit fund style alternative asset products.

**Details of Share Capital of the Company as on March 31, 2022:**

**Share Capital**

Particulars	Amount
<b>A. Authorised Capital</b>	
2,30,00,000 Equity Shares of Rs. 10 each	23,00,00,000
<b>Total</b>	
<b>B. Issued, Subscribed and Paid-up Capital</b>	
1,23,74,737 Equity Shares of Rs. 10 each	12,37,47,370
<b>Total</b>	12,37,47,370
Paid up capital (A) After the offer; (B) after conversion of convertible instruments (if applicable) (d) share premium account (before and after the offer)	No change in the paid-up capital after the Issue (B) Not Applicable (c) Not Applicable

**b. Change in capital structure as of March 31, 2022, for the last 3 years:**
**i. Authorized Share Capital and the changes therein:**

Date Of Change	Amount (Rs. in Crores)	Particulars
March 15, 2021	23,00,00,000	The Authorised share capital of the Company was increased from Rs. 3,00,00,000 to Rs. 23,00,00,000 vide Ordinary Resolution passed at the Extra-ordinary General Meeting of the members of the Company held on March 15, 2021

**ii. Equity Share Capital History of the Company, for the last 3 years:**

Date of Allotment	No. of equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature for Allotment	Cumulative No. of Equity Shares	Cumulative Paid-Up Share Capital (Rs. in Crores)	Cumulative Share Premium (Rs. in Crores)	Remarks
March 24, 2021	10000000	10	10	Cash	Rights Issue	1,23,74,737	12,37,47,370	0	Rights issue at face value

(d) Details of any acquisitions or amalgamation in the last one year: NIL

(e) Details of any reorganization or reconstruction in the last one year: NIL

Type of the Event	Date of Announcement	Date of Completion	Details

**12. Details of the Shareholding Pattern as on December 31, 2021, as per the format specified under listing regulations:**
**a) Equity Shareholding pattern of the Company as on December 31, 2021:**
**Table I - Summary Statement holding of specified securities as on December 31, 2021**

Category (I)	Category of shareholder (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)= (IV)+(V)+(VI)	Share holding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Share holding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
													No.	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	No.	As a % of total shares held (b)
								No of Voting Rights	Class eg:y	Total	Total as a % of (A+B+C)							

													(A+B+C2)					
(A)	Promoter & Promoter group	8	1,22,56,000	-	-	1,22,56,000	99.04	1,22,56,000	-	1,22,56,000	99.04	5000000	91.57	-	-	-	1,22,56,000	
(B)	Public	1	1,18,737	-	-	1,18,737	0.96	1,18,737	-	1,18,737	0.96	-	0.63	-	-	-	-	-
(C)	Non Promoter - Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>9</b>	<b>12374737</b>	<b>-</b>	<b>-</b>	<b>12374737</b>	<b>100</b>	<b>12374737</b>	<b>-</b>	<b>12374737</b>	<b>100</b>	<b>5000000</b>	<b>92.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,22,56,000</b>	

Table II - Statement Showing shareholding pattern of the Promoter and Promoter Group as on December 31, 2021

	Category & Name of the Shareholders (I)	PAN (II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	Partly paid up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) As a % of A+B+C2)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
									No of Voting Rights		Total as a % of Total Voting rights			No	As a % of total shares held (b)	No	As a % of total shares held (b)		
									Class	Class									Total
1	Indian																		
A	<b>Individuals/Hindu undivided Family</b>		6	6	-	-	6	-	6	-	6	-	-	-	-	-	-	-	6
b	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

d	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Bodies Corporate</b>		2	1,22,55,994	-	-	1,22,55,994	99.04	1,22,55,994	-	1,22,55,994	99.04	5000000	91.57				1,22,55,994
	<b>Sub Total = (A1)</b>	--	<b>8</b>	<b>1,22,56,000</b>	--	--	<b>1,22,56,000</b>	99.04	<b>1,22,56,000</b>	-	<b>1,22,56,000</b>	99.04	5000000	91.57				1,22,55,994
2	<b>Foreign</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
a	Individuals (Non-Resident Individuals/Foreign Individuals)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
b	Government	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
c	Institutions	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
d	Foreign Portfolio Investor	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
e	Any Other (specify)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	<b>Sub Total = (A2)</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	--	<b>8</b>	<b>1,22,56,000</b>	--	--	<b>1,22,56,000</b>	99.04	<b>1,22,56,000</b>	-	<b>1,22,56,000</b>	99.04	5000000	91.57				1,22,55,994

Table III - Statement Showing shareholding pattern of Public Shareholders as on December 31, 2021

Category & Name of the Shareholders (I)	PAN (II)	Nos. of share holders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)= (IV)+(V)+(VI)	Share holding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VI)+(X) As	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total shares held (b)	No. (Not applicable) (a)		As a % of total shares held (Not applicable) (b)
								Class	Class	Total								

															a % of A+B +C2 )				
1	Institutions	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
a	Mutual Funds / UTI	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
b	Venture Capital Funds	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
c	Alternate Investment Funds	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
d	Foreign Venture Capital Investors	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
e	Foreign Portfolio Investors	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
f	Financial Institutions / Banks	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
g	Insurance Companies	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
h	Provident Funds / Pension Funds	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
i	Any Other (specify)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

	<b>Sub Total = (B1)</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2	Central Government / State Government(s) / President of India	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
3	Non-Institutions	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
a	Individuals-	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	i. Individual shareholders holding nominal share capital upto Rs.2 lakhs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	ii. Individual shareholders holding nominal share capital in excess of Rs.2 lakhs	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
b	NBFCs registered with RBI	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
c	Employee Trusts	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
d	Overseas Dep	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

ositors (holding DRs) (balancing figure)																			
Others- Bodies Corporate	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Sub Total = (B2)</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Table IV - Statement Showing shareholding pattern of the Non-Promoter & Non Public shareholder as on December 31, 2021

Category & Name of the Shareholders (I)	PAN (II)	No of share holders (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos.s shares held (VII)=(IV)+(V)+(VI)	Share holding % calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying outstanding convertible securities (including Warrants) (X)	Total Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VI)+(X)	Number of Locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)		
								No of Voting Rights					Total as a % of Total Voting rights	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)	
								Class x	Class y	Total									

																				As a % of A+B+C2)
1	Custodian / DR Holder	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
	Total Non Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

b) List of Top 10 holders of Equity Shares of the Company as on Date of this Disclosure:

Sr. No.	Name of Shareholder	No. of Equity Shares held	No of Shares in Demat form	% of Share Holding
1	Edelweiss Securities and Investments Private Limited	1,22,55,994	1,22,55,994	99.04
3	Mr. Bhanudas Jadhav*	1	1	0.00
4	Mr. Deepak Mukhija*	1	1	0.00
5	Mr. Hemal Mehta*	1	1	0.00
6	Mr. Niranjana Risbood*	1	1	0.00
7	Mr. Subahoo Chordia*	1	1	0.00
8	Mr. Vinit Agrawal*	1	1	0.00
9	M/s. Gamla Livförsäkringsaktiebolaget Seb Trygg Liv (Publ), Sweden	1,18,737	-	0.96

\* Nominees of Edelweiss Securities and Investments Private Limited

**13. BRIEF PARTICULARS OF THE MANAGEMENT OF THE COMPANY:**
**a) Board of Directors- Profile**

<b>Director Name</b>	<b>About Director</b>
<b>Mr. Kanu Harkisondas Doshi</b>	<p>Mr. Kanu Doshi is a Chartered Accountant with long professional career as a Tax consultant to leading corporates &amp; Mutual Funds.</p> <p>Presently, he is the Prof. Emeritus - Finance at the Welingkar Institute of Management Development &amp; Research where he teaches Tax Planning, Financial Management and allied subjects. He has co-authored books on Taxation and Accounting.</p> <p>He was an Independent Director on companies like Nippon Life India Asset Management Ltd, Motilal Oswal Asset Management Company Limited, Edelweiss Asset Management Limited. He is also an Independent Director of Edelweiss General Insurance Company Limited, Samco Ventures Private Limited and Samco Asset Management Private Limited.</p>
<b>Ms. Kamala Kantharaj</b>	<p>Ms. Kamala K. is a qualified Chartered Accountant and has rich and varied experience of more than 28 years in the field of corporate laws, securities laws and corporate governance in financial services sector. Ms. Kamala K. has been associated with Edelweiss group since 2016 as Group Chief Compliance &amp; Governance Officer.</p> <p>Prior to Edelweiss, she was associated with National Stock Exchange of India (NSE) as Head – Regulatory Compliance.</p> <p>She has deep understanding of BFSI space.</p>
<b>Mr. Sunil Nawal Phatarphekar</b>	<p>Mr. Sunil Phatarphekar is the proprietor of SNP Legal (Advocates) and have over 30 years of experience as a practicing advocate. He started his career in 1987 with Crawford Bayley &amp; Company, Advocates and Solicitors, a preeminent law firm.</p> <p>Thereafter, he was admitted as a partner in Mahimtura &amp; Company, to enhance their corporate practice. Subsequent to that, he co-founded Shah Desai Doijode &amp; Phatarphekar, Advocates. Mr. Phatarphekar also practices in the corporate field with specialization in commercial contracts and new technologies.</p> <p>Mr. Phatarphekar also serves as a Non-Executive Director on the Board of various companies. He is also on the Boards of various Edelweiss Group entities as an Independent Director.</p>
<b>Mr. Sushanth Sujir Nayak</b>	<p>“Mr. Sushanth Nayak is an MBA from Jamnalal Bajaj Institute of Management, Mumbai and Bachelor’s degree in Engineering from VJTI, Mumbai.</p> <p>Mr. Sushanth Nayak has more than 23 years of experience across corporate banking, distressed asset resolution, structured credit, private equity investing, and credit rating having done deals in the infrastructure, healthcare, hospitality, media and real estate sectors.</p> <p>Previously Mr. Nayak was Vice President at the Global Special Opportunities Group, JPMorgan (India) where he was responsible for origination, evaluation, structuring, and portfolio management. Mr. Nayak has also held various positions in ICICI Bank, Infosys and CARE.</p> <p>Mr. Nayak joined Edelweiss in Feb-2014 as co-Head for the distressed fund and later moved to head the risk function for the Company’s business in Jun-2016.”</p>

**b) NAMES AND ADDRESSES OF THE DIRECTORS OF THE ISSUER AS ON MARCH 31, 2022:**

Sr. No.	Name, Designation, DIN, Nationality, Occupation and Address	Age (Years)	Date of Appointment	Other Directorships	Whether wilful defaulter (Yes/No)
1.	Mr. Kanu Harkisondas Doshi Director DIN: 00577409 Indian Occupation: Professional 102, Shivala Bldg, Khatau Road Colaba, Cuff Parade Mumbai - 400 005	84 years	13/08/2020	1. Samco Asset Management Private Limited 2. Edelweiss General Insurance Company Limited 3. Av Financial Experts Network Private Limited 4. Edelweiss Capital Services Limited 5. Samco Ventures Private Limited	No
2.	Ms. Kamala Kantharaj Director DIN: 07917801 Indian Occupation: Service 5402, Tower 5, Crescent Bay, Parel Mumbai – 400012	56 years	05/02/2021	1. Edelweiss Custodial Services Limited 2. Edelweiss Broking Limited 3. Edelweiss General Insurance Company Limited 4. Edelweiss Tokio Life Insurance Company Limited 5. Edelweiss Trusteeship Company Limited 6. Edelweiss Finance & Investments Limited 7. Edelweiss Capital Services Limited	No
3	Mr. Sunil Nawal Phatarphekar Director DIN: 00005164 Nationality: Indian Occupation: Professional 501/502, Satguru Simran, 3 <sup>rd</sup> Road, Almeida Park, Bandra-West, Mumbai – 400050	58 years	13/08/2020	1. Edelweiss Housing Finance Limited 2. Edelweiss Retail Finance Limited 3. Quintrol Technologies Private Limited 4. Ajit Balakrishnan Foundation 5. Edel Finance Company Limited 6. Ajit Balakrishnan Estates And Securities Private Limited	No
4	Mr. Sushanth Sujir Nayak Additional Director DIN: 02857645 Nationality: Indian Occupation: Service 501/502, Hari Mangal 81 Park Road,	48 years	01/03/2022	1. Sekura Roads Private Limited 2. Sekura Energy Private Limited	No

	Opp Wagh Hospital, Vileparle (East), Mumbai -400057			
--	--	--	--	--

**c) Details of Change in Directors since last three years (i.e. 2019-20, 2020-21 and 2021-22):**

Name, Designation	DIN	Date of Appointment	Date of Cessation, if applicable	Remarks
Mr. Shrikant Subbarayan, Director	05225191	31/03/2018	12/08/2019	Nil
Mr. Nikhil Johri, Director	01960539	12/01/2015	23/12/2019	Nil
Mr. Suresh Soni, Whole-Time Director	02265993	12/08/2019	25/05/2021	Nil
Mr. Alok Saigal, Director	08543458	08/11/2019	18/01/2021	Nil
Mr. Anurag Madan, Director	00010324	09/01/2018	25/08/2020	Nil
Mr. Hemant Daga, Whole-Time Director	07783248	01/03/2021	05/01/2022	Nil
Ms. Kamala Kantharaj, Director	07917801	05/02/2021	Not Applicable	Nil
Mr. Sunil Phatarphekar, Director	00005164	13/08/2020	Not Applicable	Nil
Mr. Kanu Doshi, Director	00577409	13/08/2020	Not Applicable	Nil
Mr. Sushanth Nayak, Whole Time Director	02857645	01/03/2022	Not Applicable	Nil

**Debenture holding of Directors:**

As on March 31, 2022, none of our directors hold any debentures in the Company.

**14. DETAILS OF AUDITORS OF THE COMPANY**

**i. Details of the auditor of the Company**

Name	Address	Auditor since
GMJ & Co	3rd and 4th floor, Vaastu Darshan, B Wing, Above Central Bank of India, Azad Road, Andheri (E), Mumbai – 400069	01/04/2018

**ii. Details of changes in auditors since last three years:**

Name	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
No Change since FY 2018-19				

**15. DETAILS OF LIABILITIES OF THE COMPANY AS ON MARCH 31, 2022**
**a) Details of Outstanding Secured Loan Facilities:**

Lender's name	Type of facility	Amount Sanctioned (in Rs. Crore)	Principal amount outstanding (in Rs. Crore)	Repayment Date / Schedule	Security
Nomura Capital (India) Pvt limited	Term Loan	100	51.50	36 months from the date of Draw down  6 Dec 2022 – 20 Cr 31 Jan 2022 – 13.50 Cr 24 Feb 2022 – 18 Cr	<p>A first ranking exclusive charge by way of hypothecation over the following assets / receivables of the Borrower:</p> <p>amounts owing to, and received and/or receivables pertaining to the identified management fees (as specified in the Facility Agreement) under the relevant investment management agreements or any other fund documents in relation to the identified managed funds as specified under the Facility Agreement;</p> <p>amounts owing to, and received and/or receivables pertaining to the pledge securities (specified in the Facility Agreement) or any proceeds of sale thereof including, without limitation, (i) interest, principal amount, default interest, redemption premium, redemption amounts in relation to the pledge securities or any other fees, costs and expenses / other receivables of the Borrower in relation thereto and (ii) any other amounts under the relevant fund documents and the co-investment NCD documents in relation to the pledge securities;</p> <p>the identified receivables account opened with ICICI Bank Limited and all amounts lying therein;</p> <p>the designated account opened with ICICI Bank Limited and all amounts lying therein and any investments made therefrom;</p> <p>amounts deposited / to be deposited by the Borrower in the designated account to maintain the cash collateral / security cash collateral as per the Facility Agreement; and</p> <p>units of any alternative investment fund that will be provided as security in accordance with the Facility Agreement.</p>
<b>Total</b>		<b>100</b>	<b>51.50</b>		

**b) Details of Outstanding Unsecured Loan Facilities:**

Lender's name	Type of facility	Amount Sanctioned (Rs. in Crore)	Principal amount outstanding (Rs in Crore.)	Repayment Date / Schedule
Edelweiss Rural & Corporate Services Limited	Working capital	33.36	33.36	On Demand
<b>Total</b>		<b>33.36</b>	<b>33.36</b>	

**c) Details of Outstanding Non-Convertible Securities: None**
**d) List of Top 10 holders of Non-Convertible Securities in terms of value (in cumulative basis) as on March 31, 2022: None**

SR No.	PAN	NAME	Amount in (Crs.)	% of total Non-Convertible Debenture Outstanding
Not Applicable				

**e) Details of outstanding Commercial Paper as at the end of the last quarter as on March 31, 2022**

Sr. No.	ISIN of Commercial Paper	Maturity Date	Amount Outstanding
Not Applicable			

**f) Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on March 31, 2022:**

Name of Party (in case of facility)/ Name of Instrument	Type of facility/ Instrument	Amount sanctioned/ issued	Principal Amount outstanding	Date of Repayment/ Schedule	Credit Rating	Secured/ Unsecured	Security
NIL							

**g) Details of outstanding borrowings taken/debt securities issued for consideration other than cash, whether such borrowing/debt securities have been take/issued (a) in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option or not**

As on March 31, 2022, the Issuer has not issued any debt securities or has any outstanding borrowings in consideration other than cash (a) in whole or in part, (b) at a premium or discount, or (c) in pursuance of an option or not.

**16. Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities loans from any bank or financial institutions, deposits, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past three years including the current financial year: None**
**17. (a) Any material event/ development or change having implications on the financials/credit quality (e.g. any material regulatory proceedings against the Issuer/promoters, litigations resulting in material liabilities, corporate restructuring event etc) at the time of issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities: Nil**

**(b) Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the Placement Memorandum and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action: None**

**(c) Details of default and non-payment of statutory dues: None**

**(d) Debenture Trustee**

The Company has appointed Catalyst trusteeship Limited as the Debenture Trustee to the Issue.

Catalyst trusteeship Limited has given consent to act as the Debenture Trustee on behalf of the Debenture holders.

A copy of the consent letter is enclosed as '**Annexure V**'.

**(e) Due Diligence by Debenture Trustee**

The Debentures shall be considered as secured only if the charged asset is registered with the sub-registrar, registrar of companies, CERSAI or depository, as applicable, or is independently verifiable by the Debenture Trustee

**(f) Terms and conditions of the debenture trustee agreement including fees charged by the Debenture Trustee:**

The Issuer has entered into a Debenture Trustee Appointment Agreement with Catalyst Trusteeship Limited dated 14 June 2022 for appointing Catalyst Trusteeship Limited as the Debenture Trustee for the Issue on such terms as contained therein. The details of agreed fees are mentioned in the consent letter which is annexed as **Annexure V**.

**(g) Process of due diligence carried out by the Debenture Trustee**

The Debenture Trustee, either through itself or its agents /advisors/consultants, has/ shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Placement Memorandum and the Applicable Laws, has been obtained.

The Issuer shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Issuer or any third-party security provider are registered / disclosed.

Due diligence certificate issued by the Debenture Trustee has been provided in '**Annexure VI**' hereto.

**18. Corporate guarantee or Letter of Comfort or any other document/letter with same intent**

Letter of comfort dated 14 June 2022 for INR 30,00,00,000 (Indian Rupees Thirty Crores only) issued by Edelweiss Securities & Investments Private Limited in relation to issuance of Debentures.

**19. Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention**

**a. Day count convention - Actual/Actual**

**b. Procedure and time schedule for allotment and issue of securities should be disclosed**

The allotment of debt securities issued on a private placement basis shall be credited to the demat account of the investors within such time as may be specified by the applicable laws, rules and regulations.

**c. Cash flows emanating from the non-convertible securities - As specified in the Annual reports enclosed.**

**20. Disclosures pertaining to wilful defaulter**

None of the Directors or Promoter of the Issuer or the Issuer have been declared as a wilful defaulter

- a. Name of the bank declaring the entity as a wilful defaulter: Not Applicable
- b. The year in which the entity is declared as a wilful defaulter: Not Applicable
- c. Outstanding amount when the entity is declared as a wilful defaulter: Not Applicable
- d. Name of the entity declared as a wilful defaulter: Not Applicable
- e. Steps taken, if any, for the removal from the list of wilful defaulters: Not Applicable
- f. other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions: Not Applicable
- g. Any other disclosure as specified by the Board: Not Applicable.

## 21. Undertaking by the Issuer

- (i) Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the 'Management's Perception of Risk Factors and External Risk Factors under Point No. 22 and Point No.23 respectively.
- (ii) The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Placement Memorandum contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- (iii) The issuer has no side letter with any debt securities holder except the one(s) disclosed in the Placement Memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.
- (iv) The Issuer hereby covenants and undertakes that the assets on which the charge is or will be created to secure the Debentures are free from any encumbrances and if they are already charged such charge shall be released and the permission or the consent to create a charge on such assets of the Issuer shall be obtained from the existing charge holder or the creditor or Debenture Trustee as required before creation of charge to secured Debentures.

## 22. MANAGEMENT'S PERCEPTION OF RISK FACTORS

Potential investors should consider carefully all the risk factors in this Placement Memorandum for evaluating the Issuer and its business and the Debentures before making any investment decision relating to the Debentures. Unless the context requires otherwise, the risk factors described below apply to the Issuer only. If any one of the following stated risks actually occurs, the Issuer's business, financial conditions and results of operations could suffer and, therefore, the value of the Issuer's Debentures could decline.

Unless specified or quantified in the relevant risk factors, the Issuer is not in a position to quantify the financial or other implications of any risk mentioned herein below:

### a) Early Termination for Extraordinary Reasons, Illegality and Force Majeure:

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Debentures has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Debentures for any reason, the Issuer may at its discretion and without obligation terminate early the Debentures. If the Issuer terminates early the Debentures, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Debenture an amount determined by the Calculation Agent/Issuer.

### b) Interest Rate Risk on Bonds/ Government securities:

Bonds/ Government securities which are fixed return securities, run price-risk like any other fixed income security. Generally, when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The level of interest rates is determined by the rates at which government raises new money through RBI, the price levels at which the market is already dealing in existing securities, rate of inflation etc. The extent of fall or rise in the prices is a function of the prevailing coupon rate, number of days to maturity of a security and the increase or decrease in the level of interest rates. The prices of Bonds/ Government securities are also influenced by the liquidity in the financial system and/or the open market operations (OMO) by RBI. Pressure on exchange rate of the rupee may also affect security prices. Such rise and fall in price of bonds/ government securities may influence valuations as and when such changes occur.

**c) Changes or discontinuance of the Underlying (applicable to market linked products):**

Changes in the Underlying and factors which either affect or may affect the value of the Underlying, may affect the return on an investment in the Debentures. In case of the regulators or the authorized bodies discontinuing or restricting the use of the benchmark/underlying, the Issuer will be bound to take necessary action as may be prescribed by the regulators or the authorized body or as may be required by the law or as may be required to accommodate the situation.

**d) Repayment is subject to the credit risk of issuer**

Potential investors should be aware that receipt of the principal amount, (i.e. the redemption amount) and any other amounts that maybe due in respect of the debentures is subject to the credit risk of the Issuer. Potential investors acknowledge the risk that the issuer may not be able to satisfy their obligations under the debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the issuer, the payment of sums due on the debentures may not be made or may be substantially reduced or delayed.

**e) Returns on Debentures are subject to Model Risk:**

Returns on the Debentures are based on complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the Underlying/ Reference Index selected for hedging may significantly differ from returns predicted by the mathematical models.

**f) Increasing competition from banks, financial institutions and NBFCs**

The successful implementation of Issuers growth plans depends on its ability to face the competition. The main competitors of the Issuer are NBFCs, financial institutions and banks. The Issuer does not have access to large quantities of low cost deposits because of which it may become less competitive. Many of its competitors have significantly greater financial, technical, marketing and other resources. Many of them also offer a wider range of services and financial products than the Issuer does and have greater brand recognition and a larger client base. As the Issuer ventures into offering newer products, it is likely to face additional competition from those who may be better capitalised, have longer operating history and better management. If the Issuer is unable to manage its business and compete effectively with current or future competitors it might impede its competitive position and profitability.

**g) Downgrading in Credit Rating**

For borrowings through NCDs the following Rating has been assigned -

**CRISIL Ratings Limited**

The Issuer cannot guarantee that this rating will not be downgraded. In the event of deterioration in the financial health of the Issuer, there is a possibility that the Rating Agency may downgrade the rating of the Debentures. Such a downgrade in the credit rating, the Coupon rate would be revised upwards by 25 basis points per annum for each notch downgrade below 'AA-' by any Indian rating agency having an outstanding rating on the Issuer.

- h) System failures or inadequacy and security breaches in computer systems may adversely affect our operations and result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation.

## 23. EXTERNAL RISK FACTORS

### a. Risks in relation to Non-Convertible Debentures

The Debenture Holders may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the Debentures. Our ability to pay interest accrued on the Debentures and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the Debentures and/or the interest accrued thereon in a timely manner or at all.

### b. Risks in relation to creation and enforcement of security in relation to Secured debt securities, if any.

In the event that the company is unable to meet its payment and other obligations towards investors under the terms of the debentures, the Debenture Trustee may enforce the security as per the terms of security documents, and other related documents.

While the Debentures are secured to the tune of 100% of the principal and interest amount/ valuation or as per the terms of offer document/ Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

### c. Limited or sporadic trading of non-convertible securities of the issuer on the stock exchanges.

The Company intends to list the Debentures on the WDM segment of the BSE or of the NSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange(s) and that there would be any market for the Debenture(s). It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to redemption of the Debentures.

### d. Conditions in the Indian Equity market may affect the coupon on the Debentures.

#### Applicable to Index Linked product:

The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected, thereby affecting the indices.

### e. The Debentures may be illiquid

The Company intends to list the Debentures on the WDM segment of the BSE or Negotiated Trade Reporting Platform of the NSE. The Company cannot provide any guarantee that the Debentures will be frequently traded on the Stock Exchange(s) and that there would be any market for the Debenture(s). It is not possible to predict if and to what extent a secondary market may develop in the Debentures or at what price the Debentures will trade in the secondary market or whether such market will be liquid or illiquid. The fact that the Debentures may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity. The more limited the secondary market is, the more difficult it may be for holders of the Debentures to realise value for the Debentures prior to settlement of the Debentures.

### f. Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad.

There has been no refusal in listing of any security during the last three years by any stock exchange. In accordance with Indian law and practice, permissions for listing and trading of the Debentures issued pursuant to this Issue will not be granted until after the Debentures have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the Debentures on the Stock Exchange for reasons unforeseen.

**g. Material changes in regulations to which the Company is subject**

Regulated Companies in India are subject to detailed supervision and regulation and regulators like RBI and SEBI, etc., In addition, the Company is generally subject to changes in Indian law, as well as to changes in regulations and policies and accounting principles. Additionally, The RBI requires the Companies like NBFC's to make provisions in respect of NPAs. Any changes in the regulatory framework affecting NBFCs, SEBI regulated entities including the provisioning for NPAs or capital adequacy requirements could adversely affect the profitability of the Company or its future financial performance by requiring a restructuring of its activities, increasing costs or otherwise. The Company is subject to certain statutory, regulatory, exposure and prudential norms and this may limit the flexibility of the Company's loans, investments and other products as the case may be.

**h. Conditions in the Indian Debt market may affect the coupon on the Debentures.**

Even though the Government securities market is more liquid compared to other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. The Central and State Governments are the issuers of the local currency debt. The Government raises money to meet its capital and revenue expenditure by issuing debt or discounted securities. Since these securities carry minimal risks, they may command lower yields.

The performance may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems.

The Indian securities markets are smaller than securities markets in more developed economies and the regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in the more developed economies.

**i. In case of outstanding debt instruments or deposits or borrowings, any default in compliance with the material covenants such as creation of security as per terms agreed, default in payment of interest, default in redemption or repayment, non-creation of debenture redemption reserve, default in payment of penal interest wherever applicable.**

The Issuer endeavours to be in compliance with the covenants with respect to this issue such as creation of security as per the terms and conditions agreed in the Transaction Documents and this Placement Memorandum, payment of redemption amount and interest amount on respective due date however, the repayment of redemption amount and interest amount is subject to credit risk of the Issuer. Investors must be aware that the Company may not be able to satisfy their obligations under the Debentures and that they may or may not recover all or part of the Principal or Interest Amount in case of default/s by the Issuer.

**j. A slowdown in economic growth in India**

A slowdown in the Indian economy / GDP may adversely affect Company's business, including its ability to enhance its asset portfolio and the quality of its assets, and its ability to implement certain measures could be adversely affected by a movement in interest rates, or various other factors affecting the growth of industrial, manufacturing and services sector or a general down trend in the economy. Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

**k. Spread of COVID19 and the consequent nationwide lockdown to impact the Issuer's operations and financial condition**

The rapid outbreak of the COVID19 pandemic has severely impacted the physical and financial health of the people across the globe. To prevent the contagion in the country, a 21 days' nationwide lockdown was announced by the Government of India on March 24, 2020 which was further extended to 30 October 2020 across the country. While the national lockdown has been relaxed, each State government has set out extension of the lockdown but the relaxations (outside containment zones) have been permitted to a certain extent, subject to receipt of requisite approvals as may be required.

As a result, the economic fallout from the spread of the COVID19 virus may impact the Issuer's business prospects, financial condition, result of operations and credit risk. While the Issuer will monitor the developments of the COVID19 situation closely, assess and respond proactively to minimize any adverse impacts on the financial position and operating results of the Issuer, it is possible that the Issuer's business, financial condition and results of operations could be adversely affected due to the COVID19 pandemic. There can be no assurance that this lockdown will not be extended further on one or more occasions either locations specific or countrywide. Further, even in cases where the lockdown is relaxed or proposed to be relaxed, it is likely that partial lockdown will continue for longer in red COVID19 zones in India. We are uncertain about when such partial or complete lockdown will be lifted across India and the world.

If the COVID19 situation persists or worsens, it may adversely impact the Issuer's financial condition. The COVID19 virus pandemic is adversely affecting, and is expected to continue to adversely affect, some of our operations, business, liquidity and cashflows.

However, the extent of negative financial impact cannot be reasonably estimated at this time but a sustained economic slowdown may significantly affect our business, financial condition, liquidity, cashflows and results of operations and the same will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the COVID19 virus and the actions to contain the COVID19 virus or treat its impact, among others. Consequently, there may be a negative effect on the Company's ability to service the obligations in relation to the Debentures.

#### **I. Product related risk factors**

The composition of the constituents of the Reference Index to which the Debentures are linked may change over time. The Reference Index sponsor may, in its sole discretion, add, delete or substitute the securities underlying the index or make other methodological changes required by certain corporate events relating to the securities underlying the Reference Index that could change the value of the index. There may be additions to the securities in Reference Index to which the Registered Debenture Holders may not want exposure, or deletions of securities to which they would want exposure. The Registered Debenture Holders should not place undue reliance on the creditworthiness, business plans or prospects or other factors relating to any particular issuer of constituents of Reference Index as of the date hereof.

#### **m. Disclaimer in relation to Valuation**

The Issuer has appointed a Valuation Agent. Any valuations as may be provided by the Valuation Agent, on the website of the Issuer and the Valuation Agent or otherwise, do not represent the actual price of the Debentures that may be received upon sale or redemption of Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuation will reflect the independent views of the Valuation Agent. It is expressly stated that the valuation will not be the view of the Issuer or its affiliates. The Issuer will not review the valuation and will not be responsible for the accuracy of the valuations. The valuations that will be provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent, at a frequency of not less than once a calendar week, and the said valuation will not represent the actual price that may be received upon sale or redemption of the Debentures. It will merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The valuations that will be provided by the Valuation Agent may include the use of proprietary models (that are different from the proprietary models used by the Issuer and/or the Valuation agent) and consequently, valuations provided by other parties (including the Issuer and/or the Valuation agent) may be significantly different.

### **24. Other details**

#### **(a) Debenture Redemption Reserve**

The Debenture Redemption Reserve shall be as per the provisions of the Companies Act, 2013 and the applicable Rules as amended from time to time

**(b) Issue/instrument specific regulations - relevant details (Companies Act, RBI guidelines, etc).**

- The Companies Act, 2013 and the applicable Rules as amended from time to time;
- SEBI (Listing Obligation & Disclosure requirement) Regulations, 2015 and amendments thereafter;
- SEBI Circular CIR/IMD/DF/17/2013 dated October 22, 2013;
- SEBI Circular CIR/MRD/DRMNP/35/2013 dated December 05, 2013 and amendments thereafter;
- SEBI Circular SEBI/ HO/ MIRSD/ DOS3/CIR/P/2019/68 dated May 27, 2019;
- SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020;
- SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020;
- SEBI Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020;
- SEBI Circular SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 dated November 12, 2020;
- RBI Notification No. DNBR.(PD) 006 /GM(MSG)-2015 dated February 20, 2015 and amendments thereafter;
- RBI Circular RBI/2013-14/402 IDMD.PCD. 08/14.03.01/2013-14 and RBI Notification No. IDMD.PCD.07/ED(RG) – 2013 dated December 5, 2013 and amendments thereafter;
- SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated August 9, 2021 as amended from time to time;
- SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated August 10, 2021 as may be amended from time to time;
- Guidelines for Issue and Listing of Structured Products/ Market Linked Debentures dated 28 September 2011 (bearing reference no. Cir. /IMD/DF/17/2011), as amended from time to time.

**(c) Default in Payment**

In case of default in payment of any monies accruing due on the respective due dates, the defaulted amount thereof shall carry Additional Interest, which shall be a rate of 2.0% per annum over and above the Coupon Rate in respect of any amounts which have not been paid on the respective due dates for the period of default or delay.

**(d) Delay in Listing**

• For FPIs /FII/,sub-accounts of FIIs

The Company proposes to list these Debentures on the BSE WDM segment or Negotiated Trade Reporting Platform of NSE. The Issuer confirms that the Debentures would receive listing approval within 4 (four) trading days from the date of closure of issue pursuant to Chapter VII of SEBI Operational circular dated August 10, 2021 for Standardization of timeline for listing of securities issued on a private placement basis.

In case of delay in listing of the Debentures beyond 4 trading days from the date of closure of issue for any reason, then the FII/sub-account of FII shall immediately dispose of these Debentures either by way of sale to a third party or to the Company and the Company will be under an obligation to redeem the Debentures.

• For applicants other than FPI/FIIs/sub-accounts of FIIs

The Company proposes to list these Debentures on the BSE WDM segment or Negotiated Trade Reporting Platform. The Issuer confirms that the Debentures would receive listing approval within 4 trading days from the Date of Closure of Issue.

In case of delay in listing of the Debentures beyond 4 trading days from the Date of Closure of Issue, the Company will pay penal interest at the rate of 1 % p.a. over the Coupon Rate for the period of delay to the investor (i.e. from the date of allotment to the date of listing).

**(e) Delay in allotment of securities**

The issuer shall ensure allotment of debt securities issued on a private placement basis and credit to the dematerialized account of the investors is made within such time as may be specified by the applicable regulations. In case of delay in

allotment of securities beyond 60 (sixty) days from the date of receipt of the application money, the Company shall, in terms of section 42 (6) of the Companies Act, shall repay the application money to the subscribers within 15 (fifteen) days from the expiry of 60 (sixty) days and if the Company fails to repay the application money within the aforesaid period, it shall be liable to repay that money with interest at the rate of 12% (twelve per cent) per annum from the expiry of the 60<sup>th</sup> (sixtieth) day.

- (f) The latest and historical valuation for such securities shall be made available on the websites of the Issuer and of the valuer appointed for the purpose.
- (g) All commissions by whatever name called, if any, paid by Issuer to distributor for selling/ distribution of such securities to end investors shall be disclosed in the Placement Memorandum: None.
- (h) The cost incurred by the Valuation Agency for valuation of the Debentures is in the range of 10 bps to 20 bps p.a. on the face value of the outstanding Debentures.
- (i) **Issue details**  
As specified in the Summary Term Sheet
- (j) **Application Process for the Debentures**

#### **How to Apply**

Applications for the Debentures must be made in the Application Form and must be completed in block letters in English by investors. Application Forms must be accompanied by a cheque or electronic fund transfer instruction drawn or made payable in favour of "Edelweiss Alternative Asset Advisors Limited" and marked 'A/c Payee Only' in case of cheques. The full amount of the Debentures applied for has to be paid along with the delivery of the fully completed and executed Application Form together with other applicable documents described below.

Cheques/ electronic fund transfer instruction may be drawn on any bank which is situated and is a member or sub-member of the Bankers' clearing houses located at Mumbai. Investors are required to make payments only through cheques/ electronic transfer payable at Mumbai.

The Company assumes no responsibility for any applications/cheques/ lost in mail or in transit.

The payment by FPIs / FIIs shall be made through the payment modes permitted by Reserve Bank of India.

#### **Who can Apply**

Nothing in this Placement Memorandum shall constitute and/or deem to constitute an offer or an invitation to an offer, to be made to the Indian public or any section thereof through this Placement Memorandum, and this Placement Memorandum and its contents should not be construed to be a prospectus under the Companies Act.

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures

- Individuals
- Hindu Undivided Family
- Trust
- Limited Liability Partnerships
- Partnership Firm(s)
- Portfolio Managers registered with SEBI
- Association of Persons
- Companies and Bodies Corporate including Public Sector Undertakings.
- Commercial Banks
- Regional Rural Banks
- Financial Institutions
- Insurance Companies

- Mutual Funds
- FPIs /FII/sub-accounts of FII as per applicable laws, Rules & Regulations
- Any other investor eligible to invest in these Debentures

All investors are required to ensure that they are in compliance with their incorporation documents, applicable authorizations and relevant regulations/guidelines as may be applicable to them for investing in this Issue/NCDs.

This Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed and only such recipients are eligible to apply for the Debentures. Furthermore, NRIs, OCBs, and other persons resident outside India (except as specifically provided in this Placement Memorandum) are not eligible to apply for or hold the Debentures.

#### **Application by Banks/Corporate Bodies/Mutual Funds/FIs/Trusts/Statutory Corporations**

The applications must be accompanied by certified true copies of (i) memorandum and articles of association/constitution/bye-laws/trust deed; (ii) resolution authorizing investment and containing operating instructions; and (iii) specimen signatures of authorized signatories; Application made by an Asset Management Company or custodian of Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

#### **Application by FPIs / FIIs / sub accounts of FIIs**

The application should be accompanied by all documents required in case of investments to be made by such FPIs / FIIs / sub accounts of FIIs including (i) approval, if any from Reserve Bank of India / SEBI; (ii) self-attested copy of PAN; (iii) SEBI registration certificate (including of the sub-account of FII); FPIs / FIIs / sub accounts of FIIs, (iv) tax residence certificate provided by the Income Tax authority of foreign country of which the FII is a tax resident, wherever applicable/Address Proof, (v) authorized signatories, (vi) Board resolution permitting investment in debentures/structured products, (vi) demat statement, (vii) financials for the past 2 years and (viii) the POA

#### **Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signatures of all authorised signatories must be lodged along with the submission of the completed Application Form. Further, modifications/additions in the power of attorney or authority should be delivered to the Company at its Office.

#### **PAN**

Each of the applicants should mention his/her/their PAN allotted under the IT Act. Applications without this will be considered incomplete and are liable to be rejected.

#### **Basis of Allotment**

The Company has the sole and absolute right to allot the Debentures to any applicant.

#### **Right to Accept or Reject Applications**

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason. Application Forms that are not complete in all respects shall be rejected at the sole and absolute discretion of the Company.

#### **Redemption**

The entire principal amount of the Debentures will be repaid, on or before the Redemption Date.

The Debentures held in the dematerialised form shall be taken as discharged on payment of the redemption amount by the Company on maturity to the registered debentureholders whose name appears in the Register of debentureholders on the record date. Such payment will be a legal discharge of the liability of the Company towards the debentureholders.

On the Company dispatching the amount as specified above in respect of the Debentures, the liability of the Company shall stand extinguished.

The Company's liability to the debentureholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due dates of redemption in all events. Further the Company will not be liable to pay any Coupon or compensation from the dates of such redemption.

#### **Right to Re-purchase and Re-issue the Debentures**

The Company will have power, exercisable at its sole and absolute discretion from time to time, to re-purchase a part or all of its Debentures from the secondary markets or otherwise, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations, if any.

In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed always to have had, the power to reissue the Debentures either by reissuing the same Debentures or by issuing other debentures in their place.

Further the Company, in respect of such re-purchased/re-deemed Debentures shall have the power, exercisable either for a part or all of those Debentures, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law.

#### **Right to partially/early redeem the Debentures**

The Company at its discretion may partially/early redeem the debentures at a request or with the consent of the debentureholder/s, if required, at any time prior to the Redemption Date, subject to applicable law and in accordance with the applicable guidelines/regulations, if any.

#### **Right to further issue the Debentures**

Company reserves right to make multiple issuances under the same ISIN with reference to Regulation 17 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated August 09, 2021, as amended from time to time, and Chapter VIII – Specifications related to ISIN for debt securities of SEBI Operation Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time.

Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium/par/discount as the case may be in line with reference to Regulation 17 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 dated August 09, 2021, as amended from time to time, and Chapter VIII – Specifications related to ISIN for debt securities of SEBI Operation Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time.

#### **Place, Currency and Mode of Payment**

All obligations of the Company on the Debentures including Coupon, are payable at Mumbai in Indian rupees only. The payments will be made through cheques or RTGS/NEFT/Fund Transfer mode.

#### **Issue of Debentures in Dematerialised Form**

The Debentures will be issued only in dematerialized form. The trading in Debentures will be in dematerialized mode only. The Company has made arrangements with the depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Depository Participant's name, DP-ID and beneficiary account number must be mentioned at the appropriate place in the Application Form. The Company shall take necessary steps to credit the Debentures allotted to the depository account of the investor.

#### **Succession**

In the event of demise of a Registered Debenture holder of the Debentures, or the first holder in the case of joint holders, the Company will recognize the executor or administrator of the demised Debenture holder or the holder of succession

certificate or other legal representative of the demised Debenture holder as the Registered Debentures holder of such Registered Holder's Debentures if such a person obtains probate or letter of administration or is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter and delivers a copy of the same to the Company. The Company may in its absolute discretion, where it thinks fit, dispense with the production of the probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the demised Debenture holder(s) on production of sufficient documentary proof or indemnity. In case a person other than individual holds the Debentures, the rights in the Debentures shall vest with the successor acquiring interest therein, including liquidator or such any person appointed as per the applicable law. Further, the successor may approach relevant depository participant to get the debenture transferred to its name. Such depository participant may ask for additional documents.

### **Notices**

The notices, communications and writings to the Debenture holder(s) required to be given by the Company shall be deemed to have been given if sent by registered post/courier to the Registered Debenture holder(s) at the address of the Debenture holder(s) registered with the Corporate Office.

All notices, communications and writings to be given by the Debenture holder(s) shall be sent by registered post or by hand delivery to the Company at its Corporate Office or to such persons at such address as may be notified by the Company from time to time and shall be deemed to have been received on actual receipt of the same.

### **Rights of Debenture holders**

The Debenture holder(s) shall not be entitled to any right and privileges of shareholders other than those available to them under the Companies Act. The Debenture shall not confer upon the holder the right to receive notice(s) or to attend and to vote at any general meeting(s) of the shareholders of the Company.

### **Modifications of Rights**

The rights, privileges and conditions attached to the Debentures may be varied, modified or abrogated upon a Special Request or by a Special Resolution duly passed at the meeting of the Debentureholders convened in accordance with the provisions of the Debenture Trust Deed.

### **Future Borrowings**

Subject to the applicable regulations and the maintenance of the financial covenants as mentioned under the Summary Term Sheet, the Company shall be entitled, from time to time, to make further issue of Debentures, other debt securities (whether pari passu or junior to the Debentures) and other instruments and securities to any person or persons including to the public or a section of the public and/or members of the Company and/or to raise further loans, advances and/or avail further financial and/or guarantee facilities from financial institutions, banks and/or any other person(s) without any further approval from or notice to the Debenture holders/Debenture Trustee.

### **Tax Benefits**

A debenture holder is advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor.

### **Coupon Cheques/Refund Cheques**

Loss of Coupon cheques/refund cheques should be intimated to the Company immediately. Upon receipt of request for issue of duplicate Coupon cheques/refund cheques, the Company shall consider the same and such issue of duplicate cheques shall be governed by applicable law and any other conditions as may be prescribed by the Company.

### **Debenture Trustee**

The Issuer has received the consent of Catalyst Trusteeship Limited to act as the Trustees on behalf of the Debenture Holders. All the rights and remedies of the Debenture holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture holders. All investors are deemed to have irrevocably given their authority and consent

to Catalyst Trusteeship Limited to act as their debenture trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holders. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed executed between the Company and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same.

### Valuation Agency

The Company has entered into valuation agreement(s) with SEBI registered credit rating agencies namely M/s. CRISIL Ratings Limited (Registration No. IN/CRA/001/1999). The Issuer at its sole discretion shall appoint one of these agencies as a Valuation Agent to provide Valuation on Debentures. The details of Valuation Agent and the website link of the Valuation Agent where the Valuations shall be available will be communicated by the Issuer to the Debenture holder. Such communication forms part of this Placement Memorandum. The Valuation Agent will publish the valuation on its website at least once every calendar week. The valuation of the Debentures shall be available at [www.edelweissalternative.com](http://www.edelweissalternative.com) and on the website of the Valuation Agency within 7 working days from Deemed Date of Allotment. Upon request by any Debenture Holder for the value of the Debentures, the Issuer shall arrange to provide the same. The Company reserves the right to change the Valuation Agent at its sole and absolute discretion, during the tenure of the Debentures without giving any reasons or prior notice to the Debenture holders. The Issuer shall inform about such change as and when it occurs to the Debenture holders.

### Anti-Money Laundering

Since these debentures are issued in “compulsory demat mode” and the Company uses depository system for allotment of the debentures, KYC checks conducted by depository participants at the time of accepting the customer or transaction under the prevention of money laundering policy adopted by depositories or depository participant shall be considered adequate irrespective of risk level of the customer or transaction. However, as a matter of a good practice, Company may examine transactions/clients that may fall under “suspicious transactions” category as defined under Prevention of Money Laundering Act, 2002 and seek further information from the clients.

### Delay in Execution of Debenture Trust Deed and other security creation document , if any

Where an issuer fails to execute the trust deed within the period specified in the sub-regulation (1) of Regulation 15, without prejudice to any liability arising on account of violation of the provisions of the Act and these Regulations, the issuer shall also pay interest of at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed and other security creation documents, if any.

- (k) i. **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; (d) loan from any bank or financial institution and interest thereon - None**

#### ii. Remuneration/Sitting Fees to the Directors during the last three financial years

The details of remuneration/sitting fees paid to the Directors during the last three financial years is as under:

Sr. No.	Name of the Director	March 31, 2020 (Rs.)	March 31, 2021 (Rs.)	March 31, 2022 (Rs.)	Particulars
1.	Mr. Suresh Soni#	1,88,21,549	18,499,715	19,78,129	Remuneration
2.	Mr. Hemant Daga^	Not Applicable	1,323,816	2,48,15,333	Remuneration
3.	Mr. Sunil Nawal Phatarphekar	Not Applicable	200,000	2,20,000	Sitting Fees
4.	Mr. Kanu Doshi	Not Applicable	200,000	2,20,000	Sitting Fees
5.	Mr. Sushanth Nayak*	Not Applicable	Not Applicable	10,92,171	Remuneration

\*w.e.f. March 1, 2022.

^ Till January 5, 2022.

# Till May 28, 2021.

- iii. **Related party transactions entered during the last three financial years immediately preceding the year of circulation of Placement Memorandum including with regard to loans made or, guarantees given or securities provided. As**

specified in the Annual reports enclosed.

- iv. **Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of Placement Memorandum and their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark.** Not Applicable
- v. **Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Placement Memorandum in the case of Company and all of its subsidiaries.** None
- vi. **Prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the Placement Memorandum and if so, section-wise details thereof for the Company and all of its subsidiaries.** None
- vii. **Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company.** None
- viii. **Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of Placement Memorandum:**

Standalone

(Rs. In Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Profit Before Tax	50.58	14.85	17.74
Tax	(1.65)	(0.54)	(0.05)
Profit After Tax	48.93	15.39	17.80

- ix. **Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid):**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Dividend per equity share (in Rs.)	Nil	Nil	Nil
Interest coverage ratio	6.04	2.31	142.39

- x. **Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application form.** As specified in the Annual reports enclosed.
- xi. **Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company:** No change
- xii. **Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project:** Not Applicable
- xiii. **Latest Audited/Limited Review Half Yearly consolidated (wherever available) and Standalone Financial Information (like Profit & Loss statement and Balance Sheet) and auditor's qualifications, if any.** Refer 'Annexure IV'.

#### (I) **MODE OF PAYMENT FOR SUBSCRIPTION**

The account details for the transfer of the Subscription Amount is as follows:

<b>Beneficiary Name</b>	Edelweiss Alternative Asset Advisors Limited
<b>Bank Account No.</b>	000405126324
<b>Bank Name</b>	ICICI Bank Limited
<b>Bank Branch Name</b>	Nariman Point, Mumbai
<b>Bank IFSC Code</b>	ICIC0000004
<b>Bank Account Type</b>	Current Account

## 25. Events for Early Redemption:

**Force Majeure Event** shall mean any war, strike, lock-out, natural disaster, act of terrorism, any restriction on trading in the Underlying, an act of state or situations beyond the reasonable control of the Company occurring after an obligation under the Placement Memorandum is entered into by the Company, or such obligation has become illegal or impossible, in whole or in part and includes any breakdown, failure or malfunction beyond the control of the Company of any telecommunication or computer system including, without limitation, unavailability or outages or breakdowns of any communication system(s), breach or effect of any virus in the processes or the 'payment and delivery mechanism', sabotage, fire, explosion(s), acts of God, civil commotion or industrial action of any kind, riots, insurrection, acts of Government, computer hacking, unauthorized access to computer data and storage devices and computer crashes.

**Market Suspension Event for Market Linked Debentures** means the event of any suspension of trading by the authorised body on any official trading day, whereby trading shall be halted for a certain period of the day or the day or for the remainder of the trading day.

**Issuer Tax Change Event** means that, on or after the Deemed Date of Allotment of the Debentures, the imposition of any withholding or deduction on any payments in respect of the Debentures by or on behalf of the Issuer if such withholding or deduction is required by law.

**Change in Law** means that, on or after the Deemed Date of Allotment of the Debentures (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole discretion that (X) it has become illegal for the Issuer to hold, acquire or dispose of the Underlying Security/Units/hedge positions relating to the Debentures, or (Y) the Issuer will incur a materially increased (as compared with the circumstances existing on the Deemed Date of Allotment) cost in relation to the performance of the Issuer's obligations under the Debentures (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer).

**Hedging Disruption** means that the Issuer or any of its Affiliates or its Holding Company is unable, after using commercially reasonable efforts, to either (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Underlying price risk (or any other relevant price risk including, but not limited to, the currency risk) of issuing and performing its obligations with respect to the Debentures, or (B) freely realize, recover, receive, repatriate, remit or transfer the proceeds of hedge positions or the Debentures.

**Increased Cost of Hedging** means that the Issuer and/or any of its Affiliates or its Holding Company would incur a materially increased (as compared with circumstances existing on the Deemed Date of allotment) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the Underlying price risk (or any other relevant price risk including, but not limited to, the currency risk) of issuing and performing its obligations with respect to the Debentures, or (B) realize, recover or remit the proceeds of hedge positions or the Debentures.

### Reference Index Modification Event (Applicable Only in case of Market Linked Debenture)

**Regulatory Events for Investor:** Subject to regulatory requirements of applicable regulatory authorities, upon the occurrence of any one of the following events, the Company shall be entitled but not obliged to redeem the Debentures in the hands of the concerned investor:

- a) The representations/declarations of the investor being untrue or misleading when made or later found to be untrue during the tenure of his investment;
- b) Legal action/proceedings being initiated to suspend the investor's license by any regulatory authority or its name being struck off in the records of the Ministry of Company Affairs;
- c) Any regulatory order passed against investor debarring investor from investments in stock market directly or indirectly etc.
- d) Proceedings for insolvency / bankruptcy or winding up being instituted against the investor.
- e) Company having reason to believe that any of the aforesaid events is likely to occur imminently.
- f) Any regulatory change which makes the holding of Debentures by investor illegal or void.

## 26. UNDERTAKINGS BY THE INVESTOR:

The following risks associated to the Debentures, is subject to and pursuant to the terms of the Debentures as provided in this Placement Memorandum, the initial subscriber by subscribing to, and any subsequent purchaser by purchasing the Debentures, shall be deemed to have agreed, and accordingly the Company shall be entitled to presume, that each of the initial subscriber, and any subsequent purchaser (Debenture holder, as also referred to hereinabove and hereinafter):

- (A) has
  - (1) sufficient knowledge (including of applicable laws, rules, regulations, circulars), experience and expertise as an investor, to make the investment in such Debentures;
  - (2) not relied on either of the Company, or any of its affiliates, holding company, or any person acting on its behalf for any information, advice or recommendations of any sort except as regards the accuracy of the specific factual information about the terms of the Debentures as set out in the Placement Memorandum;
  - (3) understood that information contained in the Placement Memorandum, or any other document issued by the Company is not being construed as business or investment advice; and
  - (4) made an independent evaluation and judgment of all risks and merits before investing in the Debentures;
- (B) has understood there may be delay in listing of the Debentures and even after being listed, may not be marketable or may not have a market at all;
- (C) has understood that without prejudice to (A), and (B) above,
  - (1) the method and manner of computation of, returns and calculations on the Debentures shall be solely determined by the Company, whose decision shall be final and binding; The valuation to be provided by the valuation agency is only an indicative value on the valuation date and can be different from the actual realizable value of the Debenture;
  - (2) in the event of any discretions to be exercised, in relation to method and manner of any of the above computations including due to any disruptions in any of the financial markets or if for any other reason the calculations cannot be made as per the method and manner originally stipulated or referred to or implied, such alternative methods or approach shall be used as deemed fit by the Company and may include the use of estimates and approximations. All such computations shall be valid and binding on the Debenture holder, and no liability therefore will attach to the Company;
  - (3) Investor confirms that issuer will not be responsible for the performance of Index and is only using Index as underlying and is only responsible for tracking/mapping its performance as per calculation methodology agreed herein. Any loss to investor due to underperformance of Index shall be borne by investor and neither Issuer nor Index Administrator shall be responsible for any losses to investor. Further, Issuer shall not be responsible or liable to investor for any loss caused due to any action, inaction, omission or negligence of Index administrator or Index calculating agent.
  - (4) Investors hereby authorise, agree, acknowledge that Issuer may receive information from Index calculating agent or Index Administrator w.r.t change in Index composition or calculation methodology and Issuer may provide

necessary consent to Index calculating agent or Index Administrator that issuer deems fit in its sole discretion and such events may not constitute early redemption event at Issuer discretion.

- (D) has understood that in the event that the Debenture holder suffers adverse consequences or loss, the Debenture holder shall be solely responsible for the same and the Company, or any of its affiliates, holding company, or any person acting on its behalf shall not be responsible, in any manner whatsoever, for any adverse consequences or loss suffered by the Debenture holder, including but not limited to, on the basis of any claim that no adequate disclosure regarding the risks involved was made or that the full risks involved were not explained or understood;
- (E) has reviewed the terms and conditions applicable to the Debentures as contained in the Placement Memorandum, and understood the same, and, on an independent assessment thereof, confirmed the same to be correct and, found the same acceptable for the investment made and has also reviewed the risk disclosure with respect to the Debentures, and understood the risks, and determined that the Debentures are a suitable investment and that the Debenture holder can bear the economic risk of that investment, including the possibility of receiving lower than expected returns.
- (F) has received all the information believed to be necessary and appropriate or material in connection with, and for, the investment in the Debentures;
- (G) holds the Debentures as an investment and has not purchased the Debentures on a speculative basis;
- (H) as an investor, is knowledgeable about applicable laws, rules, regulations with respect to the Debentures and is experienced in making investments, including in debt instruments having variable or unpredictable returns or no returns and also investments similar to the Debentures;
- (I) in investing in the Debentures:
  - (1) has obtained such independent and appropriate financial, tax, accounting and legal advice as required and/or deemed necessary, to enable the Debenture holder to independently evaluate, assess and understand the appropriateness, merits and risks associated with investing in the Debentures, and also as to the Debenture holders' legal competency and ability (including under applicable laws and regulations), to invest in the Debentures;
  - (2) has assumed, on the Debenture holders' own account, all risk of loss that may occur or be suffered including as to the returns on and/or the sale value of the Debentures and shall not look directly or indirectly to the Company (or to any person acting on its behalf) to indemnify or otherwise hold the Debenture holder harmless in respect of any such loss and/or damage and confirms that the Debenture holder is aware that, as returns on the Debentures are primarily linked to the Securities and even otherwise, the Debenture holder may receive negligible returns or not receive any returns at all over the term and/or part thereof, of the Debentures or upon maturity;
- (J) has understood that, at any time during the term of the Debentures, the value of the Debentures may be substantially less than its redemption amount;
- (K) undertakes that, if the Debenture holder sells the Debentures to subsequent investors, the Debenture holder shall ensure, and it is the Debenture holder's obligation in that regard, that:
  - (1) the subsequent investors receive the terms and conditions, risks and representations contained in the Placement Memorandum and any other related document and fully understand the Debentures,
  - (2) sale to subsequent investors will be subject to such investors having confirmed the receipt of all of (1) above,
  - (3) In case of Listed Debentures, the sale and transfer of the Debentures shall be effected in accordance with the rules, regulations and bye-laws of the Stock Exchange and in case of Unlisted Debentures the sale and transfer of the Debentures shall be effected in accordance with the rules, regulations and bye-laws of Depositories and under the provisions of Companies Act, 2013.
- (L) has the legal ability to invest in the Debentures, and the investment does not contravene any provision of any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder, or its assets;
- (M) where the Debenture holder is a partnership firm

- (i) its investing in the Debentures on its terms is within the scope of its investment policy and is not in conflict with the provisions of the partnership deed currently in force;
  - (ii) the investment in Debentures is being made by and on behalf of the partners (and binds all the partners jointly and severally), and that the partnership is in force and existing, and the investment has been ratified by all of the partners, jointly and severally;
  - (iii) the investment in Debentures has been duly authorised by all the partners, and does not contravene any provisions of the partnership deed, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the partnership or its assets or any of the partners or their respective assets;
  - (iv) for any minor as may have been admitted to the benefits of the partnership, the legal guardian of the minor has confirmed that the above applies equally to the minor as if the minor were a partner; and
  - (v) for any Hindu Undivided Family (“HUF”) that may be partner, the Karta declares that the above equally binds each of the co-parcenors and beneficiaries of the HUF; and
- (N) where the Debenture holder is a company, also confirms that:
- (i) notwithstanding the variable nature of the return on the Debentures, the Debenture holder is not precluded under any law, rules, regulations and/ or circular/s issued by any statutory authority/ies including under the Companies Act, 2013 and its Rules, from investing in the Debentures;
  - (ii) all necessary corporate or other necessary action has been taken to authorize, and that the Debenture holder has corporate ability and authority, to invest in the Debentures; and
  - (iii) investment in the Debentures does not contravene any provisions of the memorandum and the articles of association, or any law, regulation or contractual restriction or obligation or undertaking binding on or affecting the Debenture holder or the Debenture holder’s assets.
- (O) where there is an intermediary who sells the Debentures and/or invests in the Debentures on behalf of its Clients/investor(s) (“Intermediary”), it also confirms that:
- (i) it is registered with SEBI;
  - (ii) it is fully in compliance with the laws and regulations applicable to it including the Chapter X of SEBI Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, the Prevention of Money Laundering Act, 2002 (“PML Act”), the Prevention of Money Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (“PML Rules”), the requirements of Circular dated 20th March 2006 “Guidelines on Anti-Money Laundering Standards” of the SEBI (“AML Guidelines”) together with the PML Act and the PML Rules, the “AML Laws & Rules”, all applicable know-your-client norms (“KYC Guidelines”) and all applicable rules, regulation and guidelines issued by any relevant regulator and the Intermediary has strictly complied with all applicable AML Laws & Rules and KYC Guidelines in relation to each of the Clients / investor(s);
  - (iii) the Intermediary is selling the Debentures, to appropriate Clients/the investor(s) or is investing on behalf of its Clients /the investor(s) appropriately and such sale / investment in the Debentures is within the scope of its authority and accordingly binds each of the Clients/ investor(s);
  - (iv) the intermediary has satisfied itself as to the capacity and authority of each of the Clients / investor(s) to invest in such Debentures;
  - (v) the Intermediary has conducted a risk profiling of each Client / Investor (s) pursuant to the Structured Products Guidelines and has satisfied itself that the Debentures are suitable to the risk profile of the Client / investor.
  - (vi) the Intermediary has fully advised each of its Clients / the investor(s) of the risks relating to investment in the Debentures and ensured that the Client / investor has understood the risks involved in investment in the Debentures and is capable of taking the risks posed by the Debentures;
  - (vii) the Intermediary in case of a Portfolio Manager as required under the SEBI (Portfolio Managers) Regulations, 1993 and in case of any other Intermediary under the regulations applicable to that Intermediary has fully advised each of its Clients / the investor(s) of the rights of such Clients / investor(s) against the Intermediary as its principal and accepts responsibility for such advice;
  - (viii) Should there be any dispute by the Clients / investor(s) as regards the investment in the Debentures including but not limited to the scope of its authority with regard to such investment the same shall be dealt with entirely by the Intermediary with each of the Clients / investor(s), with no reference to the Issuer;

- (ix) the Intermediary hereby consents (including on the basis of any request made by the Issuer in this regard) to provide and/or to the disclose to the Issuer any information regarding any or all of the Client / investor and the investment in the Debenture, as required under applicable regulations and/or as requested by any governmental or regulatory authority or under a provision of law and agrees that such information shall be disclosed by the Issuer to any governmental and/or regulatory authorities.;
- (x) The Intermediary shall provide its Clients / the investor(s) with a copy of the Offer Document;
- (xi) The Intermediary shall guide the Clients / investor(s) as to where the valuations (of the Debentures) will be available;
- (xii) The Intermediary shall guide the Clients / investor(s) as to the applicable exit loads/exit options/liquidity support, (if any) etc. being provided by the Issuer or through the secondary market;
- (xiii) The Intermediary confirms and undertakes that it has not and will not use the name of the Issuer or any of its group entities in any of its advertisement or any marketing material other than for the selling the Debentures; and The Intermediary confirms that the marketing material shall only contain information that is provided in this Placement Memorandum and should not contain any information that is extraneous to this Placement Memorandum.

(P) where the Debenture holder is a FPI / FII / sub account, it also confirms that the investment by such FPI/ FII and on behalf of each sub-account shall not exceed individual debt limits allocated as per applicable rules, regulations, guidelines from time to time.

## 27. Disclaimers

This Placement Memorandum in relation to the Debentures is made available by the Company to the applicant on the further strict understanding that

- (i) the applicant other than FPI/FII is a “Person Resident in India” as defined under the Foreign Exchange Management Act, 1999,
- (ii) in providing this Placement Memorandum to the applicant, the applicant confirms that there will be no violation of rules, regulations and byelaws issued by any applicable authority including those issued by the Securities and Exchange Board of India;
- (iii) the applicant has sufficient knowledge, experience, and professional advice to make his own evaluation of the merits and risks of a transaction of the type under this Placement Memorandum; and
- (iv) the applicant is not relying on the Issuer nor on any of the affiliates or the Holding Company for information, advice or recommendations of any sort except for the accuracy of specific factual information about the possible terms of the transaction.

The Company is not acting as the advisor or agent of the applicant. This Placement Memorandum does not purport to identify for the applicant, the risks (direct or indirect) or other material considerations, which may be associated with the applicant entering into the proposed transaction. Prior to entering into any proposed transaction, the applicant should independently determine, without reliance upon the Company or the affiliates of the Company or the Holding Company, the economic risks and merits, as well as the legal, tax, and accounting characterizations and consequences of the transaction and including that the applicant is able to assume these risks. The Company, and/or the affiliates of the Company or the Holding Company, may act as principal or agent in similar transactions and/or in transactions with respect to instruments underlying a proposed transaction. The Company, and/or the affiliates of the Company and / or the Holding Company may, from time to time, have a long or short proprietary position/s and/or actively trade, by making markets for its clients, in financial products identical to or economically related to those financial products described in this Placement Memorandum. The Company may also undertake hedging transactions related to the initiation or termination of a transaction, that may adversely affect the market price, rate, index or other market factors(s) underlying the financial product and consequently its value. The Company may have a commercial relationship with and access to information of reference securities, financial products, or other interests underlying a transaction.

This Placement Memorandum and its contents are the Company’s property and are to be considered proprietary information and may not be reproduced or otherwise disseminated in whole or in part without the Issuer’s written consent unless required to by judicial or administrative proceeding, and then with prior notice to the Company. If any recipient of this Placement Memorandum and or Private Placement Offer cum application form decides not to participate in the issue,

that recipient must promptly return this Placement Memorandum and or all private placement offer and all reproductions whether in whole or in part and any other information statement, notice, opinion, memorandum, expression or forecast made or supplied at any time in relation thereto or received in connection with the issue to the issuer.

Placement Memorandum and/or the Private Placement Offer cum application form does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer/solicitation. No action is being taken to permit an offering of the debentures or the distribution of this Placement Memorandum and/or the Private Placement Offer cum application form in any jurisdiction where such action is required. Persons into whose possession this Placement Memorandum and/or the Private Placement Offer cum application form come are required to inform themselves of, and to observe, any such restrictions. This Placement Memorandum is made available to potential investors in the issue on the strict understanding that it is confidential.

In case of Listed Debentures, Applicants must understand that in view of the nature and complexity of the Debentures, marketability may be impacted in a manner that cannot be determined. In case of Unlisted Debentures, Applicants must understand that in view of nature and complexity of Debentures, liquidity of Debentures may be impacted in a manner that cannot be determined.

Past performance is not indicative of future performance. Investment in the Debentures may be subject to the risk of loss, meaning the Debenture holder may lose some or all of its investment especially where changes in the value of the transaction may be accentuated by leverage. Even where the Debentures are principal protected, there is a risk that any failure by a person including a counterparty to perform obligations when due may result in the loss of all or part of the investment. Applicants are not being offered any guaranteed or indicative returns through these Debentures.

No liability whatsoever is accepted for any loss arising (whether direct or consequential) from any use of the information contained in this Placement Memorandum. The Company undertakes no obligation to effect any subsequent updates on the information after the date of Placement Memorandum and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer. Any opinions attributed to the Company, and/or the affiliates of the Company and / or the Holding Company constitute the Company's judgment as of the date of the material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given.

Applicants must understand that while the issue and other dates are specified, with the change in any regulations by the SEBI or any other regulatory body or for any other reason, the issue itself / these dates can be cancelled / reformed at the discretion of the Issuer and shall be final and binding on the prospective holders /holders of those debentures.

Investors considering borrowing capital to leverage their investment in the Debentures should obtain further detailed information as to the applicable risks from their lender. Any statement on the potential risks and return on the Debentures does not take into account the effect of any leveraging.

Investors are exposed to the factors like movement of interest rate volatility, time value etc. whenever their Debentures are redeemed, tendered or sold prior to maturity

**NOTE:**

This Placement Memorandum is not intended for distribution and it is meant solely for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The Debentures mentioned herein are being issued on a private placement basis and this offer does not constitute nor should it be considered a public offer/invitation. Nothing in this Placement Memorandum shall constitute and/or deem to constitute an offer or an invitation to an offer to the Indian public or any section thereof to subscribe for or otherwise acquire the Debentures. This Placement Memorandum and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly through a communication by the Company and have been marked against the serial number provided herein and only such recipients are eligible to apply for the Debentures. Furthermore, NRIs, OCBs and other persons resident outside India (except as specifically provided in this Placement Memorandum) are not eligible to apply for or hold the Debentures. All investors are

required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The Company or any other parties, whose names appear herein, shall not be liable for any statements made herein or any event or circumstance arising there from. Potential investors are required to make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in such instruments.

### Stock Exchange Disclaimer Clause

It is to be distinctly understood that filing of this Placement Memorandum with the Stock Exchange should not, in any way, be deemed or construed that the same has been cleared or approved by the Stock Exchange. The Stock Exchange does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is proposed to be made, or for the correctness of the statements made or opinions expressed in this Placement Memorandum.

### Below Disclaimers applicable only in case of Market Linked Product

#### Information in relation to Nifty 10 yr Benchmark G-Sec Clean Price Index, Reference Index

The Nifty 10 yr Benchmark G-Sec Clean Price Index is constructed using the clean price of a 10 year bond issued by the Government of India and declared as benchmark by FIMMDA. The index seeks to track the performance of the 10 year benchmark security on the basis of clean price. The index has a base date of Jan 03, 2011 and base value of 1000.

#### Index Manufacturer – NSE Indices Limited erstwhile India Index Services & Products Limited (IISL) Background

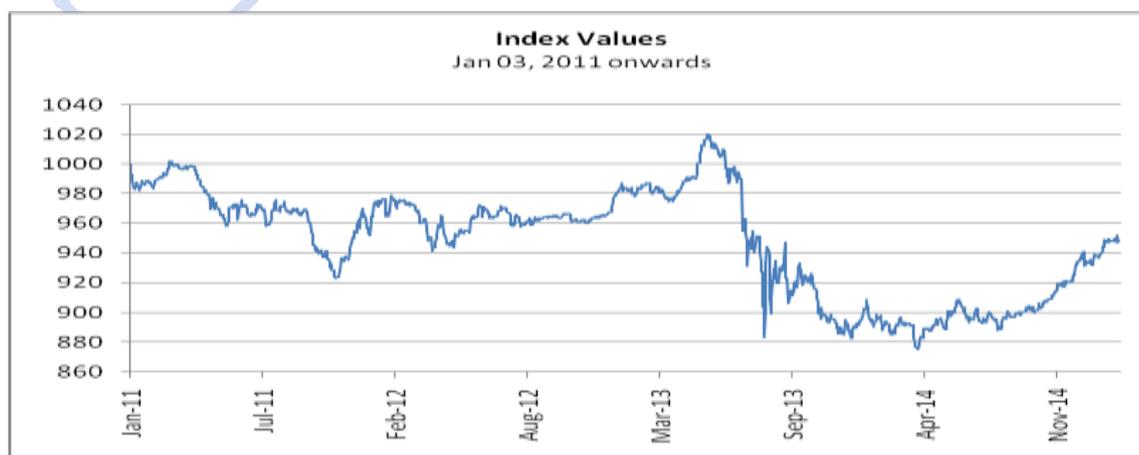
- NSE Indices Limited, a subsidiary of NSE was setup in May 1998 to create and manage indices for NSE and its participants
- NSE Indices Limited maintains over 80 equity indices comprising broad-based benchmark indices, sectoral indices
- They manage the most popular and most traded indices on Indian markets such as Nifty 50, Nifty Bank and all NSE sectoral indices
- This index is managed by NSE Indices Limited. The index is calculated on a daily basis by NSE Indices Limited.

#### INDEX METHODOLOGY:

Index represents 10 year Government of India Bond identified as “Benchmark” security by FIMMDA.

- The Index will only consider the clean price of the 10 year on the run for index calculations
- The index is computed using the price returns methodology.
- The FIMMDA prices are used for valuation of the bonds in the index.
- The index values will be published at end of the day
- Index is reviewed on monthly basis.

#### Historical Performance



**FOR NIFTY BANK LINKED DEBENTURES:****Disclaimer by NSE Indices Limited**

- i. The Nifty Bank Index linked Debentures (“Debentures”) are not sponsored, endorsed, sold or promoted by NSE Indices Limited erstwhile India Index Services & Products Limited (“IISL”). NSE Indices Limited does not make any representation or warranty, express or implied, to the owners of the Debentures or any member of the public regarding the advisability of investing in securities generally or in the Debentures particularly or the ability of the Nifty Bank Index to track general stock market performance in India. The relationship of NSE INDICES LIMITED to Edelweiss Alternative Asset Advisors Limited (“EAAA”) is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by NSE INDICES LIMITED without regard to EAAA or the Debentures. NSE INDICES LIMITED does not have any obligation to take the needs of EAAA or the owners of the Debentures into consideration in determining, composing or calculating the Nifty Bank Index. NSE INDICES LIMITED is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Debentures to be issued or in the determination or calculation of the equation by which the Debentures are to be converted into cash. NSE INDICES LIMITED has no obligation or liability in connection with the administration, marketing or trading of the Debentures.
- ii. NSE INDICES LIMITED does not guarantee the accuracy and/or the completeness of the Nifty Bank Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE INDICES LIMITED does not make any warranty, express or implied, as to results to be obtained by EAAA, owners of the Debentures, or any other person or entity from the use of the Nifty Bank Index or any data included therein. NSE INDICES LIMITED makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, NSE INDICES LIMITED expressly disclaim any and all liability for any damages or losses arising out of or related to the Debentures, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.
- iii. An investor, by subscribing or purchasing an interest in the Debentures, will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

**FOR NIFTY 50 LINKED DEBENTURES:****Disclaimer by NSE INDICES LIMITED**

The Product(s) are not sponsored, endorsed, sold or promoted by NSE Indices Limited (erstwhile India Index Services & Products Limited (“IISL”). NSE INDICES LIMITED does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the Nifty 50 to track general stock market performance in India. The relationship of NSE INDICES LIMITED to the Issuer is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by NSE INDICES LIMITED without regard to the Issuer or the Product(s). NSE INDICES LIMITED does not have any obligation to take the needs of the Issuer or the owners of the Product(s) into consideration in determining, composing or calculating the Nifty 50. NSE INDICES LIMITED is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. NSE INDICES LIMITED has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

NSE INDICES LIMITED do not guarantee the accuracy and/or the completeness of the Nifty 50 or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE INDICES LIMITED does not make any warranty, express or implied, as to results to be obtained by the Issuer, owners of the product(s), or any other person or entity from the use of the Nifty 50 or any data included therein. NSE INDICES LIMITED makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the index or any data included therein. Without limiting any of the foregoing, NSE INDICES LIMITED expressly disclaim any and all liability for any damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

An investor, by subscribing or purchasing an interest in the Product(s), will be regarded as having acknowledged, understood and accepted the disclaimer referred to in Clauses above and will be bound by it.

**FOR NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX:**

**Disclaimer by NSE INDICES LIMITED**

The Product(s) are not sponsored, endorsed, sold or promoted by NSE Indices Limited (erstwhile India Index Services & Products Limited ("IISL")). NSE INDICES LIMITED does not make any representation or warranty, express or implied, to the owners of the Product(s) or any member of the public regarding the advisability of investing in securities generally or in the Product(s) particularly or the ability of the Nifty 10 yr Benchmark G-Sec Clean Price Index to track general Government Securities market performance in India. The relationship of NSE INDICES LIMITED to the Licensee is only in respect of the licensing of certain trademarks and trade names of its Index which is determined, composed and calculated by NSE INDICES LIMITED without regard to the Licensee or the Product(s). NSE INDICES LIMITED does not have any obligation to take the needs of the Licensee or the owners of the Product(s) into consideration in determining, composing or calculating the Nifty 10 yr Benchmark G-Sec Clean Price Index. NSE INDICES LIMITED is not responsible for or has participated in the determination of the timing of, prices at, or quantities of the Product(s) to be issued or in the determination or calculation of the equation by which the Product(s) is to be converted into cash. NSE INDICES LIMITED has no obligation or liability in connection with the administration, marketing or trading of the Product(s).

NSE INDICES LIMITED does not guarantee the accuracy and/or the completeness of the Nifty 10 yr Benchmark G-Sec Clean Price Index or any data included therein and they shall have no liability for any errors, omissions, or interruptions therein. NSE INDICES LIMITED does not make any warranty, express or implied, as to results to be obtained by the Licensee, owners of the product(s), or any other person or entity from the use of the Nifty 10 yr Benchmark G-Sec Clean Price Index or any data included therein. NSE INDICES LIMITED makes no express or implied warranties, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index or any data included therein. Without limiting any of the foregoing, NSE INDICES LIMITED expressly disclaim any and all liability for any damages or losses arising out of or related to the Products, including any and all direct, special, punitive, indirect, or consequential damages (including lost profits), even if notified of the possibility of such damages.

**FOR UNDERLYING G-SEC PRICE AS MENTIONED IN THE SUMMARY TERM SHEET**

Disclaimer for underlying G-Sec Price as mentioned in the Summary Term Sheet

1. Even though the Government securities market is more liquid compared to other debt instruments, on occasions, there could be difficulties in transacting in the market due to extreme volatility or unusual constriction in market volumes or on occasions when an unusually large transaction has to be put through. The Central and State Governments are the issuers of the local currency debt. The Government raises money to meet its capital and revenue expenditure by issuing debt or discounted securities. Since these securities carry minimal risks, they may command lower yields. The performance may be affected by changes in Government policies, general levels of interest rates and risks associated with trading volumes, liquidity and settlement systems
2. The return on an investment in the Debentures (which are linked with G-secs) may differ from the return an investor might earn on a direct investment in the security over a similar period.
3. The terms of the instrument specify that the payments to investors will not be fixed, and will be linked to an external variable i.e. closing clean price of underlying as specified in the summary term sheet, as published by Financial Benchmarks India Private Limited on [www.fbil.org.in](http://www.fbil.org.in). This could result in variability in payments - because of adverse movement in value of the external variable. The risk of such adverse movement in price / value is not addressed by any rating.
4. An investment in the Debentures involves multiple risks and such investment should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the applicable reference securities, indices, interest rates, etc.
5. The Issuer does not represents or warranties or ensures of accuracy or completeness, timeliness, reliability, fitness for a particular purpose or merchantability of any part of the underlying G-Sec price.

6. In no event shall the company be liable for any loss, cost or damage arising out of or related to the access or use of any part of the underlying G-Sec price.
7. Notwithstanding anything herein contained the Issuer shall not bear responsibility or liability for any losses arising out of any delay in or interruptions of performance of the underlying G-Sec Price or the Issuer's obligations under this Placement Memorandum due to any Force Majeure Event, act of God, act of governmental authority, act of the public enemy or due to war, the outbreak or escalation of hostilities, riot, fire, flood, civil commotion, insurrection, labour difficulty (including, without limitation, any strike, or other work stoppage or slow down), severe or adverse weather conditions, communications line failure, or other similar cause beyond the reasonable control of the Issuer.
8. The Issuer accepts no responsibility for the accurate extraction, reproduction and summary of any information relating to underlying G-Sec price. No further or other responsibility in respect of such information is accepted by the Issuer. Purchasers of the Debentures should ensure that they understand the nature of the Debentures and the extent of their exposure to risk and that they consider the suitability of the Debentures as an investment in the light of their own circumstances and financial condition. The performance of the underlying G-sec price will therefore affect the nature and value of the investment return on the Debentures. Also a relatively small movement in the value of the underlying G-sec price can result in a disproportionately large movement in the price of the Debentures. Purchasers should conduct their own investigations and, in deciding whether or not to purchase Debentures, purchasers of the Debentures should form their own views of the merits of an investment related to the underlying G-sec price as based on such investigations and not in reliance on any information given in this Placement Memorandums.

#### **Disclaimer on Valuation**

##### **i. Disclaimer by the Issuer**

The Valuation reflects the independent views of the Valuation Agent. It is expressly stated that the valuation is not the view of the Issuer or its affiliates. The Issuer has not reviewed the Valuation and is not responsible for the accuracy of the Valuations. The Valuations provided by the Valuation Agent and made available on the website of the Issuer and the Valuation Agent do not represent the actual price that may be received upon sale or redemption of the Debentures. They merely represent the Valuation Agent's computation of the valuation which may in turn be based on several assumptions. The Valuations provided by the Valuation Agent may include the use of models by the Valuation Agent (that may be different from the proprietary models used by the Issuer and / or the calculation agent) and consequently, valuations provided by other parties (including the Issuer and / or the calculation agent) may be significantly different.

No review of the Reference Stocks or the Stocks Issuers, including without limitation, any public filings made by the Stock Issuers have been made for the purposes of forming a view as to the merits of an investment linked to the Reference Index. Nor is any guarantee or express or implied warranty in respect of the selection of the Reference Index made nor is any assurance or guarantee as to the performance of the Reference Index given. Investors should not conclude that the sale by the Issuer is any form of investment recommendation by it or any of its affiliates, or agents acting on any of their behalf.

The Issuer accepts no responsibility for the accurate extraction, reproduction and summary of any information relating to Reference Index. No further or other responsibility in respect of such information is accepted by the Issuer.

Investors should ensure that they understand the nature of the Debentures and the fact that the performance of the Reference Index will affect the nature and value of the investment return on the Debentures. Also a relatively small movement in the value of the Reference Stock can result in a disproportionately large movement in the price of the Debentures. Investors should conduct their own investigations and, in deciding whether or not to purchase Debentures, purchasers of the Debentures should form their own views of the merits of an investment related to the Reference Index based on such investigations and not in reliance on any information given in this Placement Memorandum.

ii. Disclaimer by the Valuation Agent

Post appointment of the Valuation Agent by the Issuer, the disclaimer clause of Valuation Agent shall be communicated to the Debenture holder and the said disclaimer clause shall form part of this Placement Memorandum.



SERIAL NO: [●]

INVESTOR NAME : [●]

**APPLICATION FORM**  
**SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES**

**Date of Application:**

**Name of the Investor:**

Dear Sirs,

We have received, read, reviewed and understood all the contents, terms and conditions and disclosures in this private placement offer letter cum application form dated 16 June 2022 (the "**Placement Memorandum**"), issued by **Edelweiss Alternative Asset Advisors Limited** (the "**Company**"). Now, therefore, we hereby agree to accept the non-convertible debentures ("**Debentures**") mentioned hereunder, or such smaller number as may be allocated to us, subject to the terms of the Placement Memorandum, this application form and the debenture trust deed dated 14 June 2022. We undertake that we will sign all such other documents and do all such other acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Debentures which may be allotted to us. The amount payable on application as shown below is remitted herewith.

We have attached a filled in Part B of the Application Form and confirm that all the information provided therein is accurate, true and complete. The bank account details set out by us in Part B is the account from which we are making payment for subscribing to the Issue.

We note that the Company is entitled in its absolute discretion to accept or reject this application in whole or in part without assigning any reason whatsoever.

Yours faithfully,

For *(Name of the Applicant)*  
*(Name and Signature of Authorized Signatory)*







Signature of Investor: \_\_\_\_\_

Initial of the officer of the Company designated to keep the record

### Instructions to fill Application Form

1. Application must be completed in full BLOCK LETTER IN ENGLISH except in case of signature. Applications, which are not complete in every respect, are liable to be rejected.
2. Payments must be made by RTGS or other Banking Channels as per the following details to the account provided below:

<b>Beneficiary Name</b>	Edelweiss Alternative Asset Advisors Limited
<b>Bank Account No.</b>	000405126324
<b>Bank Name</b>	ICICI Bank Limited
<b>Bank Branch Name</b>	Nariman Point, Mumbai
<b>Bank IFSC Code</b>	ICIC0000004
<b>Bank Account Type</b>	Current Account

3. The Application Form along with relevant documents should be forwarded to the corporate office of the Issuer, to the attention of Company Secretary, Authorised Person along on the same day the application money is deposited in the Bank. A copy of PAN Card must be attached to the application.
4. In the event of debentures offered being over-subscribed, the same will be allotted in such manner and proportion as may be decided by the Company.
5. The Debentures shall be issued in Demat form only and subscribers may carefully fill in the details of Client ID/ DP ID.
6. In the case of application made under power of attorney or by limited companies, corporate bodies, registered societies, trusts etc., following documents (attested by Company Secretary /Directors) must be lodged along with the application or sent directly to the Company at its Corporate office to the attention of Mr. Company Secretary, Authorised Person along with a copy of the Application Form.
  - (a) Memorandum and articles of association / documents governing constitution/ certificate of incorporation.
  - (b) Board resolution of the investor authorising investment.
  - (c) Certified true copy of the Power of Attorney.
  - (d) Specimen signatures of the authorised signatories duly certified by an appropriate authority.
  - (e) PAN (otherwise exemption certificate by IT authorities).
  - (f) Specimen signatures of authorised persons.
  - (g) SEBI registration certificate, if applicable.
7. The applicant represents and confirms that it has understood the terms and conditions of the Debentures and is authorised and eligible to invest in the same and perform any obligations related to such investment.
8. Any Application Form received from a person other than an Eligible Investor will be invalid. Further, any incomplete Application Form not accompanied by the filled in Eligible Investor Details in Part B of the Application Form will also be treated as invalid.

**28. DIRECTOR'S ATTESTATION AND DECLARATION:**

*The director of the Issuer hereby attest that:*

- a) the Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;*
- b) the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government;*
- c) the monies received under the offer shall be used only for the purposes and objects indicated in the Placement Memorandum;*
- d) I am authorised by the vide resolution dated June 6, 2022 to sign this Private Placement Memorandum and declare that the subject matter of this Private Placement Memorandum and matters incidental thereto have been complied with. Whatever is stated in this Private Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Private Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the Trustee/Sponsor. It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form;*
- (e) whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association; and*
- f) the clause on "General Risks" has been suitably incorporated in prescribed format elsewhere in this Placement Memorandum.*

**SUSHANTH SUJIR NAYAK**  
**02857645**  
**June 16, 2022**  
**Mumbai**

Attachments:-

1. Copy of board resolution
2. Copy of shareholders resolution
3. Optional attachments, if any".

CONFIDENTIAL

RL/EDLATDL/288528/LTPPMLD/0322/27414/102952627/2

June 09, 2022

## ANNEXURE I

**Mr. Hemal Mehta**

Chief Financial Officer

**Edelweiss Alternative Asset Advisors Limited**

Edelweiss House, 11th Floor,

Off C.S.T. Road, Kalina,

Mumbai City - 400098

Dear Mr. Hemal Mehta,

**Re: CRISIL Rating on the Rs.300 Crore Long Term Principal Protected Market Linked Debentures of Edelweiss Alternative Asset Advisors Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letters dated April 29, 2022 bearing Ref. no: RL/EDLATDL/288528/LTPPMLD/0322/27414/102952627/1

Please find in the table below the ratings outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Long Term Principal Protected Market Linked Debentures	300	CRISIL PPMLD AA- r /Negative

A prefix of 'PP-MLD' indicates that the instrument is a principal-protected market-linked debenture. The terms of such instruments indicate that while the issuer promises to pay back the face value/principal of the instrument, the coupon rates of these instruments will not be fixed, and could be linked to one or more external variables such as commodity prices, equity share prices, indices, or foreign exchange rates. A suffix of 'r' indicates investments carrying non-credit risk. The 'r' suffix indicates that payments on the rated instrument have significant risks other than credit risk. The terms of the instrument specify that the payments to investors will not be fixed, and could be linked to one or more external variables such as commodity prices, equity indices, or foreign exchange rates. This could result in variability in payments, including possible material loss of principal, because of adverse movement in value of the external variables. The risk of such adverse movement in price/value is not addressed by the rating.

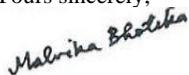
In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at [debtissue@crisil.com](mailto:debtissue@crisil.com) for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

Yours sincerely,



Malvika Bhotika  
Associate Director - CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



**Disclaimer:** A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site, [www.crisilratings.com](http://www.crisilratings.com). CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit [www.crisilratings.com](http://www.crisilratings.com) or contact Customer Service Helpdesk at [CRISILRatingdesk@crisil.com](mailto:CRISILRatingdesk@crisil.com) or at 1800-267-1301

# Ratings

CRISIL Ratings Limited (A subsidiary of CRISIL Limited)



## Rating Rationale

March 04, 2022 | Mumbai

### Edelweiss Alternative Asset Advisors Limited

Rating reaffirmed at 'CRISIL PPMLD AA- r / Negative'

#### Rating Action

<b>Rs.300 Crore Long Term Principal Protected Market Linked Debentures</b>	<b>CRISIL PPMLD AA- r /Negative (Reaffirmed)</b>
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1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has reaffirmed its '**CRISIL PPMLD AA-r/Negative**' rating to the Rs 300 crore long-term principal-protected market-linked debentures of Edelweiss Alternative Asset Advisors Ltd (EAAA; part of the Edelweiss group).

The ratings continue to reflect the adequate capitalisation level of the group, supported by multiple rounds of capital raising; the diversified business profile with presence across lending, asset management, wealth management, broking, asset reconstruction and insurance segments; and demonstrated ability to build significant presence in multiple lines of business, which should continue to support earnings. The group also maintains adequate liquidity on an ongoing basis.

The continuation of the 'Negative' outlook reflects the challenges in profitability and asset quality that the group has been facing largely on account of stress on its wholesale lending book. The retail lending book was also impacted amid the Covid-19 pandemic. Trends in profitability and asset quality, over the medium term, will be key monitorables.

Despite the challenging macro environment for non-banking companies, the group has been able to raise capital from marquee global investors. During the last quarter of fiscal 2021, the group concluded the sale of its majority stake in Edelweiss Wealth Management (EWM; comprising wealth management and capital markets business) to PAG (Pacific Alliance Group, Asia-focused alternative investment managers) for Rs 2,366 crore. As on December 31, 2021, PAG holds 55.84% of the business, while the Edelweiss group holds 44.16% (increased from 38.5% as on September 30, 2021). Between March and November 2019, the group raised Rs 1,334 crore (in aggregate) from Caisse de depot et placement du Quebec (CDPQ), Kora Management (Kora; a US-based investment firm) and Sanaka Growth SPV I Ltd (part of Sanaka Capital). It had also raised Rs 268 crore in October 2021, by divesting its 61% stake in the insurance broking venture to Arthur Gallagher. The latter now holds 91% in the insurance broking venture of the Edelweiss group and will acquire the balance 9% in the current fiscal.

These stake sales have helped absorb asset-side risk. Despite business losses in fiscals 2020 and 2021, networth has been steady at Rs 8,542 crore as on March 31, 2021 (Rs 8,715 crore as on March 31, 2019). With decline in borrowings, gearing also reduced to around 3 times from around 4 times over the same period. Networth and gearing stood at Rs 8,663 crore and 2.8 times, respectively, as on December 31, 2021.

The group has diversified business interests in financial services domain. Over the years, It has significantly scaled up operations of its non-lending businesses, including the asset reconstruction company (ARC), asset management and wealth management, which now contribute a higher share of revenue and profits and are likely to support the overall earnings profile going forward.

The group also maintains adequate liquidity. The overnight on-balance-sheet liquidity (including cash, liquid investments and treasury assets) stood at around Rs 1,900 crore and unutilised bank lines at Rs 300 crore as on January 31, 2022. The group also has other liquid assets (investments and securities-based lending) that can be accessed, if necessary. This was Rs 3,050 crore as on January 31, 2022. The group raised Rs 7,565 crore in fiscal 2021 and Rs 5,873 crore from April to January 31, 2022 through bank loans, securitisation, structured NCDs and retail bonds.

As for asset quality, overall reported gross stage III assets in the lending business improved to 4.89% as on December 31, 2021, from 7.7% as on March 31, 2021 (5.3% in the previous year). On an absolute basis, stage III assets reduced to Rs 657 crore as on December 31, 2021, from Rs 1,182 crore as on March 31, 2021 (Rs 1,114 crore, a year earlier), supported by write-offs and sale to ARCs worth Rs 382 crore during the first nine months of fiscal 2022, and Rs 2,047 crore in fiscal 2021. The group had also restructured 3.7% of its portfolio in line with the Resolution Framework for Covid-19-related stress (restructuring 2.0), released by the Reserve Bank of India (RBI) August 2020.

The group had aligned stage III assets with gross NPAs and reported stage III assets to factor in impact of RBI's clarification on recognition and calculation of NPAs released on November 12, 2021.

The group continues to move towards an asset-light model through sell-down of wholesale assets and co-lending arrangements in the retail lending business. In wholesale finance, it is shifting the assets to a fund platform, which will

provide completion finance to projects. Although, the group has already concluded transactions aggregating over Rs 2,500 crore in the past 18 months, the overall sell-down has been lower than anticipated., nevertheless, the group is in discussions for concluding additional transactions.

The increased stress in the loan book and consequent rise in provisions, including management overlay, had impacted the group's earnings profile during fiscals 2021 and 2020; however, credit cost has normalised during the nine months through fiscal 2022. On a consolidated basis, while the group reported net profit of Rs 254 crore in fiscal 2021 (loss of Rs 2,044 crore in fiscal 2020), it was primarily due to a one-off gain from stake sale in the wealth management business. Excluding this one-off gain, the group would have reported net loss in fiscal 2021 as well. For nine months ended fiscal 2022, the group reported net profit of Rs 146 crore after reducing wealth management shareholder's profit of Rs 21 crore, compared to loss of Rs 382 crore during corresponding period of previous fiscal.

Improvement in asset quality and profitability will be key rating sensitivity factors.

### **Analytical Approach**

For arriving at the ratings, CRISIL Ratings has combined the business and financial risk profiles of Edelweiss Financial Services Ltd (EFSL), its subsidiaries (including EAAA) and associates in the wealth management business. This is because all these entities have significant operational, financial and managerial linkages, and operate under a common Edelweiss brand.

*Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

### **Key Rating Drivers & Detailed Description**

#### **Strengths:**

#### **Adequate capitalisation, supported by multiple capital raises**

The Edelweiss group has demonstrated its ability to raise capital from global investors across businesses, despite the tough macro environment. The group has raised Rs 4,008 crore (of which Rs 40 crore is expected in the last quarter of fiscal 2022), over the past 36 months across the lending, wealth management and asset management businesses. This has helped maintain the capital position, despite elevated credit cost and absorb asset-side risk.

With the scale-down of the lending business in the past few quarters, borrowings have also come down. With this, gearing has improved to 2.8 times as on December 31, 2021 (~3 times as on March 31, 2021) from ~4 times as on March 31, 2020.

#### **Diversified financial services player, with demonstrated ability to build significant competitive positions across businesses**

The Edelweiss group is a diversified financial services player, present in five verticals i.e., credit (wholesale and retail), insurance (life and general), asset management (AMC and alternate asset management), asset reconstruction and wealth management. The group has attained sizeable scale in many of these businesses over a period, which is likely to lend greater stability to earnings over time.

In the lending business of book size of Rs 13,424 crore as on December 31, 2021 (Rs 13,719 crore as on September 30, 2021 and Rs 15,279 crore as on March 31, 2021), excluding capital deployed in distressed assets credit, the group plans to focus on increasing the granularity of the loan book. As part of this strategy, it will focus on growing the retail book (~52% of total credit book as on December 31, 2021) comprising primarily of mortgage and micro, small and medium enterprises (MSME) loans. Growth in the wholesale credit book is expected to be predominantly through the fund structure.

In the distressed assets segment, Edelweiss ARC is the largest ARC in India, with total securities receipts managed at Rs 41,814 crore as on December 31, 2021 (vis-à-vis Rs 40,800 crore as on March 31, 2021). From being largely corporate focused, the group has, in the recent past, started focusing on retail and MSME segments. The share of retail is expected to grow, over the medium term, from 11% as on December 31, 2021.

Scale and profit of fee-based businesses have also increased in the past few fiscals. The group has an established franchise in institutional broking and investment banking, and growing reach in the retail broking, wealth management and asset management segments.

Assets under advice in the global wealth management business were Rs 1,93,500 crore (Rs 1,55,000 crore as on March 31, 2021) and assets under management (AUM) in the asset management business were Rs 1,12,100 crore (of which Rs 82,000 crore are mutual fund assets and Rs 30,200 crore are alternative assets) as on December 31, 2021. The group is among the larger players in the alternate assets space.

Furthermore, the life and general insurance businesses are gaining scale and are also expected to break even over the medium term.

#### **Weakness:**

#### **Asset quality remains vulnerable**

Overall stage III assets ratio rose to 4.9% (Rs 657 crore) as on December 31, 2021, from 4.5% (Rs 617 crore) as on September 30, 2021; yet remained below 7.7% reported as on March 31, 2021 (Rs 1,182 crore). This is largely attributed to the clarification on recognition and calculation) released by the RBI on November 12, 2021, as the group has also aligned the stage III assets with gross NPAs; without considering the impact; on a like-to-like basis, the stage III assets have reduced.

Stage III assets in the retail book increased to Rs 303 crore as on December 31, 2021 (4.30%) from Rs 243 crore (3.4%) as on September 30, 2021; however, remains below March 2021 levels of Rs 316 crore (Rs 3.9% as on March 31, 2021 and

1.2% a year earlier). The reported stage III assets ratio in the wholesale book improved to 5.5% (Rs 354 Crore) as on December 31, 2021 as against 5.7% (Rs 374 crore) and 12% (Rs 866 crore) as on September 30, 2021 and March 31, 2021 respectively.

Despite this, asset quality of the wholesale book remains vulnerable due to its exposure to the real estate segment and stressed mid-tier borrowers in structured credit. While the group is in the process of gradually running down the wholesale book, this still contributed about 48% of the total loan book as on December 31, 2021 (47% as on March 31, 2021). Also, the wholesale loan book remains concentrated with 10 largest loans constituting ~39% of the wholesale portfolio. Nevertheless, the group has reasonable collateral cover for its wholesale loans and has also built strong recovery capabilities.

Any sharp weakening of asset quality, specifically in the wholesale lending book, will impact profitability as well as capitalisation and remains a key rating monitorable.

#### **Lower profitability than peers**

Profitability has been lower than those of other large, financial sector groups. It was significantly impacted in fiscals 2021 and 2020, on account of higher credit cost.

The group reported net profit of Rs 254 crore in fiscal 2021, supported by one-off income as compared to loss of Rs 2,044 crore in fiscal 2020. Consequently, return on assets (annualised) and return on equity (annualised) improved to 0.5% and 3.0%, respectively, in fiscal 2021 (negative 3.4% and negative 23.7%, respectively, in fiscal 2020). The group reported net profit in the three consecutive quarters of fiscal 2022, with net profit (excluding minority shareholder's share in profit) of Rs 146 crore for the first nine months of fiscal 2022 (loss of Rs 363 crore during the corresponding period of the previous fiscal). Furthermore, with continued provisioning, the provision coverage ratio has improved to 52% for the nine months ended December 31, 2021, from 47% as on March 31, 2021.

Around 20% of the capital (equity plus borrowings) is employed in businesses or investments that are either low-yielding or loss-making at this point. The group has a large investment portfolio under its balance sheet management unit (BMU), which is used for managing liquidity. This largely comprises government securities, fixed deposits, liquid mutual fund units and corporate bonds, which have a low return on capital employed. Furthermore, the life and general insurance businesses remain loss-making, given their long gestation periods. Breakeven in the insurance businesses, will benefit overall profitability over the medium term.

As the group is diversified, each business vertical contributes to overall profitability. The non-credit business now contributes significantly to the total profit after tax (PAT) given the group's established position in these businesses. This should also support the overall earnings profile. Also, most of the businesses have been reporting profits from the last quarter of fiscal 2021 and gradual improvement in profitability is expected over the medium term.

#### **Liquidity : Adequate**

As a policy, the group maintains a liquidity cushion of 9-10% of the balance sheet. There was a liquidity cushion (including cash, liquid investments and treasury assets) of around Rs 1,900 crore and unutilised bank lines of around Rs 300 crore as on January 31, 2022. The group also has other liquid assets (investments and securities-based lending book), which can be accessed if necessary. These were Rs 3,050 crore. As on January 31, 2022, the overall liquidity was adequate to meet the debt obligation maturing over the next four months till May 31, 2022. The maturity profile of assets and liabilities continue to be well-matched.

#### **Outlook Negative**

The 'Negative' outlook factors in challenges faced by the Edelweiss group due to stressed assets in its credit business, especially in its wholesale lending book, and their impact on profitability.

#### **Rating Sensitivity factors**

##### **Upward factors**

- Significant improvement in the group's asset quality with stage III assets ratio less than 3% on sustained basis, coupled with reduction in level of stressed assets
- Demonstration of profitability across businesses

##### **Downward factors**

- Continued pressure on profitability, with sustained losses (negative PAT excluding one-off gains)
- Deterioration in asset quality of the Edelweiss group
- Funding access challenges with limited fundraising by the group
- Lack of progress on planned scale-down of wholesale portfolio

#### **About the Company**

EAAA was incorporated in 2008 and is an investment manager. The company manages alternate assets business of the Edelweiss group and provides non-binding advisory services to certain offshore funds under the group. EAAA is 91% held by Edelweiss Securities and Investments Pvt Ltd and its ultimate holding company is EFSL. As on December 30, 2021, the company's total AUM or assets under advice was Rs 30,200 crore and had total assets of Rs 195 crore.

EAAA reported PAT of Rs 15 crore on total income of Rs 144 crore for fiscal 2021, against profit of Rs 18 crore on total income of Rs 137 crore for fiscal 2020. During the nine months of fiscal 2022, the company reported net profit of Rs 29 crore on total income of Rs 146.7 crore.

#### **About the Group**

The Edelweiss group comprised 48 subsidiaries and associates as on March 31, 2021. The number of companies has come down from 74 as on March 31, 2016, and may come down further over the next few quarters (subject to requisite approvals). The group had 293 offices (including 10 international offices in 6 locations) in around 136 cities as on December 31, 2021. Furthermore, as part of streamlining its operating structure, the group has restructured the businesses into five verticals namely credit, insurance, asset management, asset reconstruction and wealth management.

The group is present across various financial services businesses, including loans to corporates and individuals, mortgage finance - loans against property and small-ticket housing loans, MSME finance, institutional and retail equity broking, corporate finance and advisory, wealth management, third-party financial products distribution, alternative and domestic asset management, and life and general insurance. In addition, the BMU focuses on liquidity and asset-liability management.

The group reported PAT of Rs 254 crore on total income of Rs 10,849 crore for fiscal 2021, against net loss of Rs 2,044 crore and total income of Rs 9,603 crore in fiscal 2020. During the nine months of fiscal 2022, the group reported net profit of Rs 167 crore on total income of Rs 5,389 crore, compared to net loss of Rs 382 crore and total income of Rs 6,367 crore during corresponding period in previous fiscal.

#### Key Financial Indicators : EFSL (consolidated)

As on/For period ended December 31		2021	2020
<b>Total assets</b>	<b>Rs crore</b>	<b>44108</b>	<b>53438</b>
<b>Total income</b>	<b>Rs crore</b>	<b>5389</b>	<b>6367</b>
<b>PAT (before minority interest)</b>	<b>Rs crore</b>	<b>167</b>	<b>-382</b>
<b>PAT (after minority interest)</b>	<b>Rs crore</b>	<b>146</b>	<b>-363</b>
<b>Stage III assets</b>	<b>%</b>	<b>4.9</b>	<b>6.19</b>
<b>Gearing</b>	<b>Times</b>	<b>2.8</b>	<b>3.6</b>
<b>Return on assets</b>	<b>%</b>	<b>0.5</b>	<b>-0.9</b>

**Any other information:** Not applicable

#### Note on complexity levels of the rated instrument:

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#### Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity level	Rating assigned
NA	Long-term principal-protected market-linked debentures*	NA	NA	NA	300	Highly complex	CRISIL PPMLD AA-r/Negative

\*Yet to be issued

#### Annexure – List of entities consolidated (as on December 31, 2021, as per IndAS)

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
ECL Finance Ltd	Full	Subsidiary
Edelweiss Rural & Corporate Services Ltd	Full	Subsidiary
Edelweiss Asset Reconstruction Company Ltd	Full	Subsidiary
Edelweiss Housing Finance Ltd	Full	Subsidiary
Edelweiss Retail Finance Ltd	Full	Subsidiary
Edel Finance Company Ltd	Full	Subsidiary
Edelweiss Asset Management Ltd	Full	Subsidiary
EdelGive Foundation	Full	Subsidiary
Edelweiss Tokio Life Insurance Company Ltd	Full	Subsidiary
Edelweiss General Insurance Company Ltd	Full	Subsidiary

Allium Finance Private Ltd	Full	Subsidiary
Edelcap Securities Ltd	Full	Subsidiary
Edelweiss Securities and Investment Pvt Ltd	Full	Subsidiary
ECap Equities Ltd	Full	Subsidiary
Edel Investments Ltd	Full	Subsidiary
EC Commodity Ltd	Full	Subsidiary
Aster Commodities DMCC	Full	Subsidiary
EC International Ltd	Full	Subsidiary
Edel Land Ltd	Full	Subsidiary
Edelweiss Comtrade Ltd d	Full	Subsidiary
Edelweiss Multi Strategy Fund Advisors LLP	Full	Subsidiary
Edelweiss Gallagher Insurance Brokers Ltd	Full	Subsidiary
Edelweiss Private Equity Tech Fund	Full	Subsidiary
Edelweiss Value and Growth Fund	Full	Subsidiary
India Credit Investment Fund II	Full	Subsidiary
EAAA LLC	Full	Subsidiary
Edelweiss Alternative Asset Advisors Ltd	Full	Subsidiary
Edelweiss Alternative Asset Advisors Pte. Ltd	Full	Subsidiary
Edelweiss Investment Adviser Ltd	Full	Subsidiary
Edelweiss Resolution Advisors LLP	Full	Subsidiary
EW Special Opportunities Advisors LLC	Full	Subsidiary
Edelweiss Trusteeship Company Ltd	Full	Subsidiary
Edelweiss International (Singapore) Pte. Ltd	Full	Subsidiary
Edelweiss Capital Services Ltd	Full	Subsidiary
Edelweiss Real Assets Managers Limited	Full	Subsidiary
Sekura India Management Limited	Full	Subsidiary
Edelweiss Securities Limited	Proportionate	Associate
Edelweiss Finance & Investments Limited	Proportionate	Associate
Edelweiss Broking Limited	Proportionate	Associate
Edelweiss Custodial Services Limited	Proportionate	Associate

Edelweiss Financial Services Inc	Proportionate	Associate
Edelweiss Investment Advisors Private Limited	Proportionate	Associate
Edelweiss Securities (Hong Kong) Private Limited	Proportionate	Associate
Edelweiss Financial Services (UK) Limited	Proportionate	Associate
Edelweiss Securities (IFSC) Limited	Proportionate	Associate
ESL Securities Limited	Proportionate	Associate

### Annexure - Rating History for last 3 Years

Instrument	Current			2022 (History)		2021		2020		2019		Start of 2019
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Long Term Principal Protected Market Linked Debentures	LT	300.0	CRISIL PPMLD AA- r /Negative	31-01-22	CRISIL PPMLD AA- r /Negative		--		--		--	--

All amounts are in Rs.Cr.

### Criteria Details

#### Links to related criteria

[Rating Criteria for Finance Companies](#)

[CRISILs Criteria for rating short term debt](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Group Support](#)

[CRISILs Criteria for Consolidation](#)

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**Indicative Term Sheet**

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	Particulars	Terms & Conditions
	<b>Security Name</b>	EAAA Secured Redeemable Non-Convertible Market Linked Debenture
1.	<b>Issuer</b>	Edelweiss Alternative Asset Advisors Ltd. (“EAAA”)
2.	<b>Instrument/Facility/ Debt Securities</b>	Secured, Listed, Rated, Redeemable, Principle Protected, Market Linked, Non-Convertible Debentures (“Debenture(s)”) (“NCDs”)
3.	<b>Nature of Instrument</b>	Secured
4.	<b>Principal Protection</b>	Principal is protected at Maturity
5.	<b>Underlying/ Reference Index</b>	GOVERNMENT SECURITY: 6.54% GS 2032 HAVING ISIN: IN0020210244 MATURING ON “17-JAN-2032”
6.	<b>Sponsor</b>	Edelweiss Securities & Investments Pvt. Ltd.
7.	<b>Ultimate Sponsor</b>	Edelweiss Financial Services Ltd.
8.	<b>Mode of Issuance</b>	Private Placement
9.	<b>Settlement mode of the instrument</b>	Payment of Redemption Amount of the Debentures shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ ECS/ RTGS/ NEFT or any other online payment mechanism allowed by the Banks
10.	<b>Depository</b>	National Securities Depository Limited and Central Depository Services (India) Limited
11.	<b>Issue Amount / Issue Size)</b>	Rs. 20 Cr
12.	<b>Option to retain oversubscription (amount)</b>	Rs. 10 Cr
13.	<b>Seniority</b>	Senior debt as per the terms of final DTD
14.	<b>Eligible Investors</b>	<p><b>1. QUALIFIED INSTITUTIONAL BUYERS (“QIBS”):</b></p> <ul style="list-style-type: none"> <li>a. Mutual Funds,</li> <li>b. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;</li> <li>c. Scheduled Commercial Banks;</li> <li>d. State Industrial Development Corporations;</li> <li>e. Insurance Companies registered with the Insurance Regulatory and Development Authority;</li> <li>f. Provident Funds and Pension Funds with minimum corpus of Rs. 25.00 crore;</li> <li>g. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</li> <li>h. Insurance funds set up and managed by army, navy or air force of the Union of India.</li> <li>i. FPI/FII's/sub accounts of FII</li> <li>j. Venture Capital Fund and Foreign Venture Capital Investor;</li> </ul> <p><b>2. NON - QIBS:</b></p> <ul style="list-style-type: none"> <li>a. Companies and Bodies Corporate authorized to invest in bonds/ debentures;</li> <li>b. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/ debentures;</li> <li>c. Gratuity Funds and Superannuation Funds;</li> <li>d. Provident Funds and Pension Funds with corpus of less than Rs. 25.00 crore;</li> <li>e. Societies authorized to invest in bonds/ debentures;</li> <li>f. Trusts authorized to invest in bonds/ debentures;</li> <li>g. Statutory Corporations/ Undertakings established by Central/State legislature authorized to invest in bonds/ debentures;</li> <li>h. Hindu Undivided Families;</li> </ul>

		i. Resident Individuals. j. Partnership Firm Portfolio Managers registered with SEBI						
15.	Minimum application and in multiples thereafter	1 Debenture and in the multiples of 1 Debenture thereafter						
16.	Tenor	24 Months from Deemed date of Allotment						
17.	Coupon payment frequency	N.A.						
18.	Coupon payment dates	N.A.						
19.	Coupon type	N.A.						
20.	Coupon reset process	N.A.						
21.	Discount at which security is issued and the effective yield as a result of such discount.	N.A.						
22.	Initial Fixing Date	Deemed Date of Allotment						
23.	Initial Fixing Level	Official Closing Level (Price) of GOVERNMENT SECURITY: 6.54% GS 2032 HAVING ISIN: IN0020210244 MATURING ON "17-JAN-2032" as on Initial Fixing Date, as published by FBIL on <a href="http://www.fbil.org.in">www.fbil.org.in</a>						
24.	Final Fixing Date	3 months prior to the Final Maturity Date [ ]						
25.	Final Fixing Level	Official Closing Level (Price) of GOVERNMENT SECURITY: 6.54% GS 2032 HAVING ISIN: IN0020210244 MATURING ON "17-JAN-2032" as on Final Fixing Date, as published by FBIL on <a href="http://www.fbil.org.in">www.fbil.org.in</a>						
26.	Face value per Debenture	Rs. 10,00,000/- per debenture						
27.	Issue price	Rs. 10,00,000/- per debenture						
28.	Structure	This will be structured as MLD. "Market Linked Debentures (MLD)" means Debentures including but not limited to G-Sec Linked Debentures (GLD), Nifty Linked Debentures (NLD) or Commodity linked Debentures as may be specified otherwise as the case may be;						
29.	Objects of the Issue and details of Utilisation of Proceeds	The proceeds of issuance would be used for the purpose of augmenting working capital requirements for day to day operations, refinancing of existing loans, making investments (like NCD & AIF Units in new / existing funds set up / managed by EAAA) and for general corporate purposes.  The proceeds shall not be utilised for repayment of any Sponsor Contribution / Group Co loans or extending loans to any Group Cos.  Till the utilization of proceeds as above, the issue proceeds can be invested into liquid mutual funds, overnight MFs and bank FDs						
30.	Step Up / Step down rate	The XIRR would be revised upwards by [25 bps] p.a for each notch downgrade below 'AA-' by any Indian rating agency having an outstanding rating on the Issue Amount.						
31.	Rating at time of issue	Single rated 'CRISIL PPMLD AA- r /Negative' by CRISIL Ratings Limited						
32.	Redemption Schedule ("Redemption Date")	Redemption Date [ ]						
33.	Redemption Amount	<table border="1"> <thead> <tr> <th>Scenario</th> <th>Redemption Value per Debenture</th> <th>XIRR</th> </tr> </thead> <tbody> <tr> <td>If Final Fixing Level &gt; 25% of Initial Fixing Level</td> <td>Rs. 11,93,556</td> <td>[ 9.25% ]</td> </tr> </tbody> </table>	Scenario	Redemption Value per Debenture	XIRR	If Final Fixing Level > 25% of Initial Fixing Level	Rs. 11,93,556	[ 9.25% ]
Scenario	Redemption Value per Debenture	XIRR						
If Final Fixing Level > 25% of Initial Fixing Level	Rs. 11,93,556	[ 9.25% ]						

		If Final Fixing Level <= 25% of Initial Fixing Level	Rs. 10,00,000	0.00%
<b>34. Redemption premium/ discount</b>	<b>Scenario</b>	<b>Premium / Discount Value per Debenture</b>		
	If Final Fixing Level > 25% of Initial Fixing Level	Rs. 1,93,556		
	If Final Fixing Level <= 25% of Initial Fixing Level	Nil		
<b>35. Put date</b>	N.A.			
<b>36. Put price</b>	N.A.			
<b>37. Call date</b>	N.A.			
<b>38. Call price</b>	N.A.			
<b>39. Put notification time</b>	N.A.			
<b>40. Call notification time</b>	N.A.			
<b>41. Debenture Redemption Reserve</b>	To maintain reserve in line with the requirements of provisions of the Companies Act 2013 and lien marked in favour of the Trustee.			
<b>42. Security</b>	<p>The Issue to be secured by the following:</p> <ol style="list-style-type: none"> <li>1. First Pari-passu charge on all current assets of the Issuer, including any receivables except as below:</li> <li>2. DRR, if any maintained wrt the Debentures</li> <li>3. First pari passu charge over 100% of the Investments made by the Issuer in any form (Units of AIF, equity share capital / CCD / OCD/ NCD etc)</li> <li>4. Letter of Comfort from Edelweiss Securities &amp; Investment Pvt. Ltd.</li> </ol> <p>For purpose of (3) above, Units of AIF floated / managed by EAAA and held by the Sponsor may also be pledged by them towards Security for the Facility. Same shall be considered as security for clause (3) above.</p> <p>The security package shall exclude security on investments exclusively secured to any other Lender as on date of Issue. Security on current assets shall exclude security on such assets exclusively created in favour of any other Lender availed prior to the date of the Issue or for working capital facilities availed / to be availed by the borrower. The security package also exclude the carry share of the employees, if any, in various funds managed by EAAA/Sponsor, which will need to be paid by EAAA/Sponsor to its employees as per the arrangements.</p> <p>Security has to be created before listing and perfection within 30 days from such creation.</p>			
<b>43. Financial Covenants</b>	<p>During the tenure of the Facility, the following shall be maintained:</p> <ol style="list-style-type: none"> <li>a. Debt / Tangible Net Worth of 2.0x at the Issuer</li> <li>b. Maintain investment assets of at least 1.50x on the total debt availed by the Issuer</li> <li>c. Maintain security cover of at least 1.50x in form of investments secured for this Facility</li> </ol> <p>For the purpose of clause (b) and (c) above, Units of AIF floated / managed by EAAA and pledged by the Sponsor Including Carry value shall also be considered for the security cover.</p>			

		<p>For the purpose of calculating the above ratios, any debt / loans availed from Sponsor / group companies shall not be considered as Debt.</p> <p>Any such debt availed from Sponsor / group companies shall also comply with following conditions:</p> <ol style="list-style-type: none"> <li>1. Shall be unsecured and no interest / repayment shall be payable on such security in case of any default in the Facility, material non compliance of financial covenants or downgrade in credit rating.</li> <li>2. Such Group Co debt shall not be repayable in case of an Event of Default in the Debentures and the holders of such debt shall not be entitled to pursue any legal remedy</li> </ol> <p>However, if any funding is availed in form of CCDs / Preference shares or any other forms with no repayment being permissible till repayment of this facility and interest being subordinated, then such funding shall not be considered as debt and also considered as equity for the above ratios.</p> <p>The Issuer, at its own discretion, can borrow more monies and create security on pari-passu basis on current assets and exclusive charge on investments made by such borrowings, if any, without requiring any consent from the Trustee and subject to adherence to the financial covenants and other conditions as above.</p> <p>The Financial Covenants to be tested as on 30th Sept and 31st March every financial year based on the audited financial statements of the issuer. For security covenant purposes, security pledged by Sponsor shall be considering subject to the same being certified by an independent valuer for such pledged securities"</p> <p>The Debenture Trustee (post approval of 51% Debenture Holders) shall have the right to seek redemption of the NCDs in case of breach of specified covenants. Similarly, Issuer shall have a right to prepay in part or full, in such cases.</p> <p>For the purpose of calculation of financial covenants, the accrued premium shall be added to the amount of the principal for arriving at Debt Amount.</p>
44.	<b>Cash Trap Triggers</b>	<p>Cash Trap account shall remain throughout the tenor of the Instrument. Cash shall be transferred to the CTA subject to trigger of any of the following events:</p> <ol style="list-style-type: none"> <li>1. If any of the Financial Covenants is breached on a testing date, the cash will be trapped in Cash Trap Account (CTA). The Cash Trap Trigger Event shall continue until the date on which the Financial Covenant calculated as set out hereinabove for next testing date is equal to or higher than limits set therein. Cash trap amount can be used by the Debenture Trustee or by the Issuer, at their option, for early redemption of NCDs without any penalty.</li> <li>2. If Financial Covenant is breached on two consecutive testing dates, the entire cash will be trapped in the Cash Trap Account (CTA) for the entire tenor of the NCDs. However, the Debenture Trustee may permit cash trapped to be utilised to pre-pay the Debenture holders in a pro rata basis over the balance tenor of the NCD. The minimum prepayment in a tranche shall be 1 Cr and in multiple of Rs. 1 Cr</li> <li>3. All mandated reserves such as Debenture Redemption Reserve (DRR) as per provisions of Companies Act are not topped up to the required level for that year</li> <li>4. Occurrence of any Force Majeure which would impact Debt Servicing at Issuer</li> <li>5. Occurrence of an Event of Default which has not been cured to the satisfaction of the Debenture Trustee within the cure period</li> <li>6. The credit rating of the NCDs is downgraded to A- or below</li> </ol> <p>It may be noted that the cash will be trapped till cash trapped triggers are cured or NCDs are redeemed early by the Issuer, at its option.</p>
45.	<b>Additional Debt</b>	<p>There is no restriction on the Issuer to borrow any additional funds and extend security on Borrower's assets for any purposes till Financial Covenants above are met post such transaction.</p>

46.	<b>Representation</b>	<p>The Issuer shall during the tenure of the Facility ensure the following:</p> <ol style="list-style-type: none"> <li>1. Shall keep the Debenture Trustee informed of any material adverse developments in its business, particularly in case of cancellation of any Service / Investment Management Agreement having such material impacts which can impact the Issuer ability to service / redeem the NCDs on the redemption date.</li> <li>2. Shall declare dividend or redeem capital to its parent / group companies, subject to no financial default on external borrowings and meeting Financial Covenants as above. The clause shall not be applicable in respect of investment to Funds / AIF / affiliates companies in normal course of business.</li> <li>3. Issuer shall not provide any Corporate Guarantee /Undertaking/ Security in respect of any transaction / facility availed by any group company unless it is required for any of the investments made/ managed by it directly or through funds/AIF/Affiliate companies.</li> </ol>
47.	<b>Undertaking from Sponsor</b>	<ul style="list-style-type: none"> <li>• The Sponsor shall retain majority shareholding and management control in the Issuer and shall ensure redemption at the option of the Debenture Holder prior to dilution of the majority stake in the Issuer</li> <li>• Shall not take any steps for merger, amalgamation, sale, winding up, restructuring of the Issuer without the approval from the Debenture Trustee</li> <li>• Shall not create any encumbrance on 51% of the share capital (including any convertible instrument) of the Issuer</li> <li>• Ensure to keep the investments secured for the Facility, fully unencumbered at all times</li> <li>• In case of invocation of the securities by the Subscribers, the claim of the Sponsor, if any on the Issuer shall be subordinate to the Subscribers to the Facility.</li> </ul>
48.	<b>Undertaking from Ultimate Sponsor</b>	<ul style="list-style-type: none"> <li>• To retain majority shareholding and management control in the Issuer, directly or indirectly till this facility is redeemed</li> </ul>
49.	<b>All covenants of the issue (including side letters, accelerated payment clause, etc.)</b>	<ul style="list-style-type: none"> <li>• Any Sponsor / Group Debt extended to the Issuer shall be subordinated in both premium and principal payment and shall not be payable in case of default in servicing of Principal / Premium due under this Issue.</li> <li>• The proceeds of the Debentures shall only be utilized for the purpose stated in this Term Sheet.</li> <li>• The Issuer is to provide the additional rating from any of the Indian rating agency apart from CRISIL within the timeline of 60 (sixty) days from the date of issue.</li> <li>• The Borrower shall be entitled to issue any debenture, raise any loans, accept any deposits from public, make investments in, grant loans to or give any guarantee on behalf of any person, firm or company for the purpose of its business subject to consents, approvals etc. required under applicable laws and so long as all the applicable covenants hereunder are met. However, it is clarified that any financial guarantees issued by the Issuer for any purpose also be considered as indebtedness for the purpose of financial covenants.</li> </ul>
50.	<b>Negative Covenants</b>	<ul style="list-style-type: none"> <li>• The Borrower shall not without the prior written approval of Debenture Trustee with regard to the Business: <ol style="list-style-type: none"> <li>A) Change or amend its MoA or constitutional documents, in a manner which is prejudicial to the interests of the Debenture Holders.</li> <li>C) Make any material modifications to any of the key business agreements which may materially affect the interest of the Lenders, unless required by law or compliance.</li> <li>D) Undertake or permit any merger, consolidation, re-organization, corporate structuring, capital reduction, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction of the Issuer.</li> <li>E) Sell, transfer or otherwise dispose of in any manner whatsoever any material assets of the Issuer, other than in ordinary course of business.</li> <li>F) Wind up, liquidate or dissolve its affairs or take any actions towards the same.</li> <li>G) Create any encumbrance on its bank accounts / cashflows / business agreements other than as permitted under the Issue Terms</li> </ol> </li> </ul>

<p><b>51. Conditions Precedent</b></p>	<p>The following conditions precedents shall be required to be complied by Issuer:</p> <ol style="list-style-type: none"> <li>1. Certified true copy of the constitutional documents and authorizations of the Issuer;</li> <li>2. Board resolutions/ approvals and other statutory compliances including certified true copy of the resolution passed by the Shareholders of the Issuer under Companies Act and SEBI Regulations</li> <li>3. Obtaining consent of Debenture Trustee to act as Debenture Trustee and submission of the Debenture Trustee Consent Letter;</li> <li>4. obtained Provisional Rating letter &amp; Rating Rationale;</li> <li>5. Execution of this Placement Memorandum, Debenture Trustee Agreement;</li> <li>6. Submission of certified copy of the in-principle approval from BSE Limited for listing of Debt Securities;</li> <li>7. KYC of the Issuer and signatories;</li> <li>8. Consent Letter of the Registrar</li> <li>9. Any other documents required as per SEBI's Regulations and other applicable laws;</li> <li>10. Certificate from an authorized officer of the Issuer, certifying inter alia, that: <ul style="list-style-type: none"> <li>o No Material Adverse Effect has occurred or shall occur pursuant to the issuance;</li> <li>o the proceeds from the issuance of the Debt Securities shall be applied only in accordance with the purpose as specified under the Transaction Documents;</li> <li>o all representations and warranties made by the Issuer under the Transaction Documents are true and correct in all respects on the date of the certificate;</li> <li>o it is in compliance with all Applicable Laws, including without limitation the SEBI Guidelines;</li> <li>o no Event of Default exists as on date of the certificate;</li> <li>o Debenture trustee requisite due diligence certificate</li> <li>o Creation of security</li> <li>o the borrowings of the Issuer (including by way of issue of Debt Securities) and the Security to be created over the assets set out herein are: <ul style="list-style-type: none"> <li>▪ within the existing limits approved by the Shareholders and the Board of Directors vide their resolutions referred to in point (2) above; <ul style="list-style-type: none"> <li>▪ does not result in the breach of any borrowing entered into by the Issuer</li> <li>▪ would not cause, or result in any breach of any agreement or that the Issuer is a party to; or oblige it to create any security in favour of any person (other than in the manner stipulated in the Debenture Documents); and</li> <li>▪ Would not be in violation of any Applicable Law.</li> </ul> </li> </ul> </li> </ul> </li> </ol>
<p><b>52. Conditions Subsequent</b></p>	<ol style="list-style-type: none"> <li>1. Credit of demat account(s) of the allottee(s) by number of Debt Securities/letter(s) of allotment allotted within 2 business days from the Deemed Date of Allotment;</li> <li>2. Perfection of all Security within time frame as mentioned in this term sheet and as per applicable law;</li> <li>3. Execution of Debenture Documents (save and except Debenture Documents to be executed prior to Deemed Date of Allotment) to be completed before making the listing application</li> <li>4. End use certificate to be provided within 90 days of the Deemed Date of Allotment;</li> <li>5. Legal opinion of the LLC (including opinion confirming enforceability of the Transaction Documents);</li> <li>6. Listing of Debt Securities on Wholesale Debt Market Segment of the BSE within 4 trading days from the issue closing date;</li> <li>7. Compliance with SEBI regulations / SEBI Guidelines for issuance of Debt Securities;</li> <li>8. Payment of all fees due under the Transaction Documents;</li> </ol>
<p><b>53. Material Adverse Effect</b></p>	<p>Any event or circumstance, occurrence, or condition which has caused a material adverse effect in respect of one or more of the following:</p> <ol style="list-style-type: none"> <li>(i) adversely affect the ability of the Issuer to perform or comply with its obligations under the Financing Documents; or</li> <li>(ii) the businesses, operations or financial condition, properties, assets or prospects of the Issuer; or</li> <li>(iii) Validity or enforceability of, or the effectiveness of any Financing Documents.</li> </ol>
<p><b>54. Events of Default (including manner of voting /conditions of joining Inter Creditor Agreement)</b></p>	<p>Upon the occurrence of Event of Default by Issuer (wherever specifically applicable as per below events list), and subject to expiration of the prescribed cure period, if any, the Debenture Trustee (acting on instructions of Majority Debenture Holders) will be entitled to demand redemption of the Debt Securities along with all amounts outstanding in relation to the debentures.</p>

		<ol style="list-style-type: none"> <li>1. Non-payment of principal or any amounts due and payable on the due dates in respect of any of the Debt facilities availed by the Issuer or the Sponsor. For the below events, cure periods to be discussed at the time of documentation,</li> <li>2. Any wilful breach of representation and warranties by the Issuer</li> <li>3. Admission of any insolvency proceedings against the Issuer or Sponsor or Ultimate Sponsor under any applicable bankruptcy, insolvency, winding up or other similar law. Expropriation action taken by any competent statutory authority against Issuer</li> <li>4. Non-creation/ perfection of Security within stipulated timelines or security invalid, unenforceable or not having the effect and ranking as stipulated under the Financing Documents in accordance with the provisions of this term-sheet.</li> <li>5. Cessation of business by Issuer including unlawfulness of Issuer or business activity conducted by Issuer as per SEBI Guidelines or any other Applicable Law.</li> <li>6. Unlawfulness of Issuer or business activity conducted by Issuer as per SEBI Guidelines or any other Applicable Law.</li> <li>7. Breach of any financial covenants or breach of any undertakings by Issuer stipulated for these Debt Securities, that continues to remain uncured for a period for 30 days from date of breach.</li> <li>8. Occurrence of a Material Adverse Effect.</li> <li>9. Any adverse final court order against Issuer having Material Adverse Effect not stayed/ quashed within 90 days which may adversely impact ability of issuer to meet debt obligations under financing documents</li> <li>10. Termination of the key business agreements/ investment management agreements which materially affects the ability of Issuer to service its debt obligations.</li> <li>11. The Issuer is declared as a willful defaulter or fugitive economic offender by any bank, financial institution, or other entity within the meaning of the term as set out in the guidelines/circulars issued by the RBI from time to time in this regard.</li> <li>12. Incurring debt in excess of the Additional Debt without satisfaction of Additional Debt Conditions.</li> <li>13. Illegality: Any obligation under the financing documents of this issuance, is not or ceases to be a valid, legal and/or binding obligation of any person party to it or becomes void, illegal, unenforceable or is repudiated by such person;</li> <li>14. Cessation of listing of NCDs except upon redemption date</li> <li>15. Any other event specified as Event of Default under the Debenture Trust Deed</li> </ol>
55.	<b>Creation of recovery expense fund</b>	The Issuer shall create a recovery expense fund amounting to 0.01% of the issue size subject to a maximum of INR 25 lakhs across all listed issuances by the Issuer, in the manner and use it for the purpose as maybe specified by SEBI or designated Stock Exchange from time to time.
56.	<b>Conditions for breach of covenants</b>	The Debenture Trustee may, at any time, after obtaining the consent of the Majority Debenture Holders, waive on such terms and conditions as to them shall seem expedient any breach by the Issuer of any of the covenants and provisions in the Transaction Documents without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Provided however that where the Debenture Trustee determines such breach to be of a formal, negligible, minor or technical nature, the Debenture Trustee may, at any time, without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof, waive on such terms and conditions as it shall deem expedient any such breach by the Issuer.
57.	<b>Consequences of an Event of Default</b>	<p>Upon the occurrence of Event of Default by Issuer wherever specifically applicable as per aforementioned events list), and subject to expiration of the prescribed cure period (45 days), if any, the Debenture Trustee shall upon instructions received from Majority Debenture Holders) be entitled to demand redemption of the Debt Securities along with the all amounts outstanding in relation to the debentures.</p> <p>If the Event of Default remains unremedied even after expiration of the cure period (or such longer time period as may be agreed between the parties), if any, the Debenture Trustee shall upon instructions received from Majority Debenture Holders), have the following rights -</p> <ol style="list-style-type: none"> <li>1. Applying all cash proceeds arising in the Escrow Account towards repayment</li> </ol>

		<p>of the Issuer's obligations to the Debenture Holders</p> <ol style="list-style-type: none"> <li>2. Acceleration for immediate payment for any Event of Default.</li> <li>3. Enforcement of Security and any rights available under Transaction documents.</li> <li>4. Applying the amounts standing to the credit of the Escrow Account and the Permitted Investments towards payment of dues under the Debt Securities.</li> <li>5. Exercise such other remedies as permitted or available under Applicable Law including any circulars issued by RBI.</li> <li>6. Take any action as may be specified in the Debenture Trust Deed and other Debenture Documents.</li> </ol>
<b>58. Listing</b>		Listed on Wholesale Debt Market (WDM) segment of BSE Limited and listing approval to be received within [ 4 ] (four ) trading days from the issue closing date
<b>59. Default Interest</b>		<p>In case of default in payment of any monies accruing due on the respective due dates, the defaulted amount thereof shall carry Additional Interest, which shall be a rate of 2.0% per annum over and above the XIRR Rate in respect of any amounts which have not been paid on the respective due dates for the period of default or delay.</p> <p>In case of delay in listing beyond [4 ] (four ) trading Days from the Issue Closing Date, the Company will pay additional interest of 1% p.a. over the XIRR Rate to the Debenture Holders from the deemed date of allotment till the listing of Debt Securities. Further, the Company shall be permitted to utilise issue proceeds of its subsequent two privately placed issues only after receiving final listing approval from the Stock Exchange.</p> <p>In the event the security stipulated is not created and perfected before making listing application to BSE Limited days or any such other longer times as permitted under SEBI Guidelines as the timelines as stipulated in the column titled 'Security', additional interest of 2% (two percent) per annum or such higher rate as may be prescribed by law, shall be payable on the principal amount of the Debt Securities till the date of creation and perfection of the security interest.</p> <p>It is however clarified that overall additional interest charged due to various non-compliances will not exceed 2% p.a. over the applicable rate of interest</p>
<b>60. Day count basis</b>		Actual/ Actual
<b>61. Business Day</b>		All days on which the banks and money market are open for general business in Mumbai (other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 at Mumbai, India, or a Saturday or Sunday)
<b>62. Business Day Convention</b>		<p>If the Redemption Date in respect of the Debentures falls on a day which is not a Business Day, all payments to be made on the Redemption Date, shall be made on the immediately preceding Business Day.</p> <p>In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date.</p>
<b>63. Mode of Issuance &amp; Timelines for allotment of Debentures</b>		Dematerialized and to be credited within 2 (two) working days from the Deemed Date of Allotment.
<b>64. Resolutions required</b>		The Issuer should ensure that all the consents (other than consents required from Present Lenders for creation of security which shall be obtained prior to creation of security under the Debenture Documents) and resolutions required to issue Debt Securities are in place prior to the issue.
<b>65. Tax</b>		All payments shall be subject to tax deduction at source as applicable under the Income Tax Act, 1961, and such tax deduction shall be made by the Issuer unless a tax exemption certificate/document is lodged at the registered office of the Issuer before relevant Record Date in respect of a Payment Date, or any other relevant date.
<b>66. Other Expenses</b>		All reasonable expenses associated with this transaction (including without limitation, legal, printing, auditors' fees, agency fees, trustee fees and listing fees) will be for the account of the Issuer. In addition, the Issuer will pay for all reasonable expenses incurred by Underwriter including legal fees and all out-of- pocket expenses, whether or not the Debt Securities are issued, till the date of allotment. Indicative cap need to be put
<b>67. Majority Debenture Holders</b>		shall mean Debenture Holders holding equal to or more than 51% of the value of Debt Securities at that point of time.

68.	<b>Clear Market Provision</b>	Not applicable
69.	<b>Governing Law &amp; Jurisdiction</b>	The Governing law will be the Indian Law and the parties submit to the non-exclusive jurisdiction of the courts in Mumbai & Delhi.
70.	<b>Record Date</b>	The Record Date will be 15 calendar days before the due date for payment of interest /principal.
71.	<b>Applicable SEBI Guidelines</b>	<ol style="list-style-type: none"> <li>1. the Debenture Trustee Regulations;</li> <li>2. SEBI's circular dated November 26, 2018 bearing reference number SEBI/HO/DDHS/CIR/P/2018/144, as amended/replaced from time to time;</li> <li>3. SEBI's circular dated April 13, 2018 bearing reference number SEBI/HO/DDHS/DDHS/CIR/P/2018/71, as amended/replaced from time to time;</li> <li>4. SEBI circular dated June 23, 2020 bearing reference no. SEBI/HO/DDHS/CIR/P/103/2020, as amended/replaced from time to time;</li> <li>5. SEBI (Issue and Listing of Non-convertible securities) Regulations, 2021 and relevant SEBI circulars thereof, each as amended;</li> <li>6. SEBI Circular Cir. /IMD/DF/17/2011 dated September 28, 2011 read with SEBI Circular bearing reference number SEBI/HO/DDHS/CIR/P/2020/120 dated July 13, 2020</li> <li>7. SEBI LODR Regulations; and/ or</li> <li>8. any other notification, circular, press release, guidelines issued by the SEBI from time to time in relation to and as applicable to the transactions proposed in terms of the Debenture Documents and/or other applicable statutory and/or regulatory requirements, in each case to the extent applicable to the Issuer.</li> </ol>
72.	<b>Approvals</b>	<p>The Issuer will ensure that all authorisations/regulatory approvals and statutory approvals that pertain to this transaction will be in place prior to the issue of Debt Securities, including, without limitation, Debenture Trustee consent, and any authorizations or approvals under the SEBI regulations / Guidelines, each as amended from time to time, or any other relevant regulation.</p> <p>All relevant intimations, post security creation to be made to relevant authorities.</p>
73.	<b>Valuation Agency Fees</b>	Fees paid to Valuation Agent by the Issuer shall be in the range of 10 bps to 20 bps p.a. on the face value of the outstanding Debentures.
74.	<b>Valuation Agency</b>	Corporate Capital Ventures or any such registered valuer
75.	<b>Conditions for breach of covenants (as specified in Debenture Trust Deed</b>	Please see "Events of Default" and "Consequences of Events of Default"
76.	<b>Provisions related to Cross Default Clause</b>	Any default, howsoever described, occurs and/or is subsisting under any agreement or document relating to any financial indebtedness availed by the Issuer, as permitted under the Debenture Documents or in the event, any lender, including any financial institution or bank from whom the Issuer may have availed financial assistance has recalled its/ their assistance
77.	<b>Role and Responsibilities of Debenture Trustee</b>	As set out in the Debenture Trust Deed
78.	<b>Risk factors pertaining to the issue</b>	Please refer the IM
79.	<b>Issue Timing</b>	-
80.	<b>Issue Opening Date</b>	16 June 2022
81.	<b>Issue Closing Date</b>	16 June 2022
82.	<b>Date of earliest closing of the issue, if any</b>	NA
83.	<b>Pay-in date</b>	16 June 2022
84.	<b>Deemed date of allotment</b>	16 June 2022
85.	<b>Transaction Documents/ Debenture Documents</b>	<p>The Issuer shall execute the documents including but not limited to the following in connection with the Issue ("Transaction Documents"):</p> <ol style="list-style-type: none"> <li>i. Placement Memorandum</li> <li>ii. Agreement appointing the Debenture Trustee to the Debenture Holders</li> </ol>

- |  |  |
|--|--|
|  | <ul style="list-style-type: none"><li>iii. Debenture Trust deed</li><li>iv. Other Security Documents and Guarantee/ Letter of Comfort</li><li>v. Tripartite Agreement between the Issuer, Registrar and NSDL/ CDSL for issue of Debentures in dematerialized form</li><li>vi. Letter appointing Registrar</li><li>vii. Board and shareholders' resolutions</li><li>viii. Credit Rating letter and rationale</li><li>ix. BSE In-principle Approval for Listing</li><li>x. Due diligence certificates issued by Debenture Trustee</li><li>xi. Any other document as agreed between the Company and the Debenture Trustee</li></ul> |
|--|--|

While debt securities are secured to the tune of 100% of the principal and interest amount or such higher amount as per the terms of offer document in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that such security is maintained.

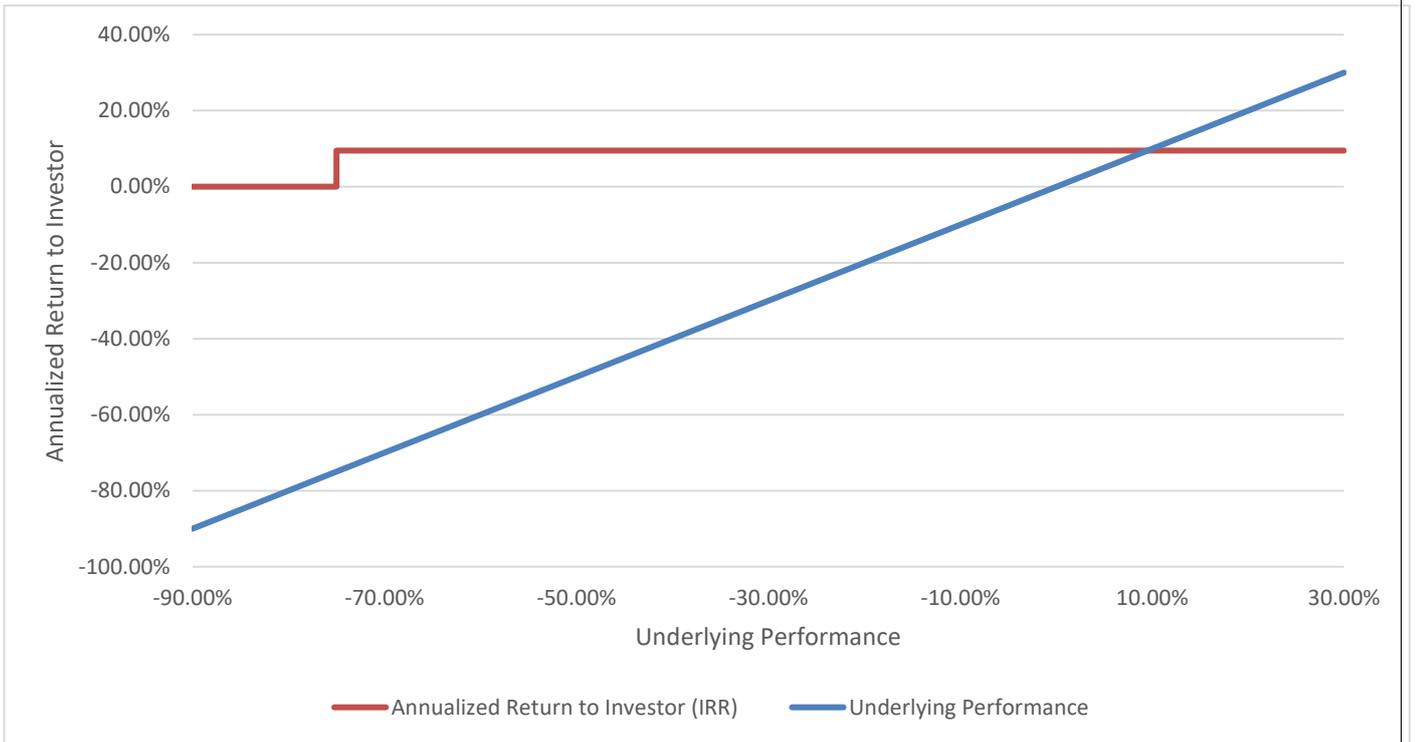
### Scenario Analysis

#### Tabular Representation

The following table shows the value of the Debenture at maturity under different market conditions basis Initial Investment of Rs. 10,00,000.

Scenario Details	Initial Fixing Level	Yield of Index at Initial Fixing Date	Underlying Performance	Assumed Final Fixing Level	Yield of Index at Final Fixing Date	Annualized Return to Investor (IRR)	Value of MLD on Maturity Date
If Final Fixing Level > 25% of Initial Fixing Level	95.55	7.1798%	30.00%	124.22	3.02%	9.25%	11,93,556
If Final Fixing Level > 25% of Initial Fixing Level	95.55	7.1798%	10.00%	105.11	5.71%	9.25%	11,93,556
If Final Fixing Level > 25% of Initial Fixing Level	95.55	7.1798%	0.00%	95.55	7.30%	9.25%	11,93,556
If Final Fixing Level > 25% of Initial Fixing Level	95.55	7.1798%	-20.00%	76.44	11.15%	9.25%	11,93,556
If Final Fixing Level > 25% of Initial Fixing Level	95.55	7.1798%	-50.00%	47.78	20.09%	9.25%	11,93,556
If Final Fixing Level > 25% of Initial Fixing Level	95.55	7.1798%	-74.99%	23.90	36.54%	9.25%	11,93,556
If Final Fixing Level <= 25% of Initial Fixing Level	95.55	7.1798%	-75.00%	23.89	36.55%	0.00%	10,00,000
If Final Fixing Level <= 25% of Initial Fixing Level	95.55	7.1798%	-90.00%	9.56	73.02%	0.00%	10,00,000

#### **Graphical Representation**



This scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment.

# ANNEXURE III

## PRE ISSUE AND POST ISSUE SHAREHOLDING

Sl. No.	Category	Pre-issue		Post-issue	
		No. of shares held	% of share holding	No. of shares held	% of share holding
A	Promoters' holding	-	-	-	-
1	Indian	-	-	-	-
	Individual	-	-	-	-
	Bodies corporate	1,22,56,000	99.04	1,22,56,000	99.04
	Sub-total	-	-	-	-
2	Foreign promoters	-	-	-	-
	sub-total (A)	1,22,56,000	99.04	1,22,56,000	99.04
B	Non-promoters' Holding				
1	Institutional investors	-	-	-	-
2	Non-institutional Investors	-	-	-	-
	Private corporate Bodies	-	-	-	-
	Directors and relatives	-	-	-	-
	Indian public	-	-	-	-
	others [including Nonresident Indians(NRIs)]	1,18,737	0.96	1,18,737	0.96
	Sub-total (B)	1,18,737	0.96	1,18,737	0.96
	<b>GRAND TOTAL</b>	<b>1,23,74,737</b>	<b>100</b>	<b>1,23,74,737</b>	<b>100</b>

FOR EDELWEISS ALTERNATIVE ASSET ADVISORS LIMITED

DEEPAK MUKHIJA  
COMPANY SECRETARY  
A17454

## ANNEXURE IV

### **Edelweiss Alternative Asset Advisors Limited**

**Corporate Identity Number: U67190MH2008PLC182205**

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**Annual Report for the year ended March 31, 2020**

# **Edelweiss Alternative Asset Advisors Limited**

**Annual Return for the year ended March 31, 2020**

## **Board of Directors**

Mr. Suresh Soni

Mr. Anurag Madan

Mr. Alok Saigal

## **Statutory Auditors**

GMJ & Co, Chartered Accountants

## **Registered Office**

Edelweiss House,

Off C.S.T. Road, Kalina,

Mumbai - 400098.

Corporate Identity No.:

U67190MH2008PLC182205

Tel: +91 22 4009 4400

Fax: +91 22 4086 3759

## **BOARD'S REPORT**

To the Members of Edelweiss Alternative Asset Advisors Limited,

The Directors present their 12<sup>th</sup> Annual Report on the business, operations and the state of affairs of the Company together with the audited financial statement for the year ended March 31, 2020:-

### **Financial Highlights**

(₹ in million)

<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
<b>Total income</b>	1,374.52	1,032.36
Total Expenses	1197.07	1,084.26
<b>Profit/(Loss) Before Tax</b>	177.45	(51.90)
Tax Expenses/ (Benefit)	(0.54)	(1.41)
<b>Profit/(Loss) for the year</b>	177.99	(50.49)
<b>Other Comprehensive Income</b>		
Re-measurement gain on defined benefit plans	0.78	0.006
Total Comprehensive Income	178.77	(50.48)
<b>Opening Balance</b>		
<b>Loss carried forward</b>	699.94	649.46
<b>Balance carried to Balance Sheet</b>	521.18	699.94

### **Information on the state of affairs of the Company**

During the year ended March 31, 2020, the Company earned the revenue of ₹1,374.52 million as against ₹1,032.36 million during the previous year. The Company made profit after tax of ₹177.99 million during the year ended March 31, 2020 as against the loss of ₹50.49 million during the previous year.

## **COVID - 19**

Recently, the whole world faced a tail risk event with the Covid-19 pandemic, coupled with lockdowns. This event necessitated unique approaches to mitigate different types of risk. Our advance preparation, along with technology enablement, ensured almost all our critical staff could work from home seamlessly for business continuity and serving customer deliverables.

## **Edelweiss Securities Limited – holding company**

Edelweiss Securities Limited (ESL) had on April 23, 2020, completed the acquisition of 22,56,000 equity shares of Rs. 10 each (representing 95% of the paid-up share capital) of the Company from Edelweiss Financial Services Limited (EFSL).

Consequently, the Company has become the subsidiary of ESL, a subsidiary of EFSL.

The Company continues to be a subsidiary of EFSL.

## **Loans, Investments and Guarantees**

The particulars of loans given and investments made by the Company are provided in the financial statement. Further, during the year under review, the Company has not given any guarantee/ provided securities.

## **Related Party Transactions**

All the related party transactions as required under the Accounting Standards have been reported in the Notes to the financial statements.

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

## **Directors**

### **i. Executive Director**

During the year under review, Mr. Suresh Soni was appointed as an Executive Director of the Company for a period of 3 years with effect from August 12, 2019.

ii. **Retirement by Rotation**

Mr. Suresh Soni retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

iii. **Non-Executive Directors**

Mr. Alok Saigal was appointed as Additional Directors with effect from November 8, 2019.

Mr. Saigal holds office upto the date of the forthcoming Annual General Meeting (AGM) of the Company. The approval of members for appointment of Mr. Saigal as Director of the Company liable to retirement by rotation is being sought at the forthcoming AGM.

Mr. Shrikant Subbarayan resigned as a Director of the Company with effect from August 12, 2019. The Board places on record its appreciation for the contribution made by Mr. Subbarayan during his tenure as Director of the Company.

Mr. Nikhil Johari resigned as a Director of the Company with effect from December 23, 2019. The Board places on record its appreciation for the contribution made by Mr. Johari during his tenure as Director of the Company.

iv. **Key Managerial Personnel**

Mr. Hemal Mehta was appointed as Chief Financial Officer of the Company with effect from June 26, 2020.

**Number of Board Meetings held**

During the year ended March 31, 2020, the Board met 10 times.

### **Internal Financial Controls**

The Company has in place adequate internal financial control with reference to financial statements.

### **Auditors**

The Report of M/s. GMJ & Co., Chartered Accountants, the Auditors on the financial statements for the year ended March 31, 2020, is unqualified.

### **Prevention of Sexual harassment of Women at Workplace**

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

### **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo**

#### **A. CONSERVATION OF ENERGY**

- i) the steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- ii) the steps taken by the Company for utilising alternate source of energy - though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.
- iii) the capital investment on energy conservation equipments; Nil

#### **B. TECHNOLOGY ABSORPTION**

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

- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development: Not Applicable

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo during the year under review were ₹ 253.54 million (previous year ₹255.97 million) and ₹ 0.89 million (previous year ₹7.10 million) respectively.

#### Other Disclosures

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013, issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat equity shares, as there were no transactions on these matters during the year ended March 31, 2020. There were no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future. No material changes have occurred between the end of financial year i.e. March 31, 2020 and the date of the report affecting the financial position of your Company. The Company has complied with the Secretarial Standards issued by Institute of Company Secretaries of India.

## **Extract of the Annual Return**

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, the extract of the Annual Return in the prescribed Form MGT - 9 is provided in Annexure II to this Report.

## **Risk Management**

The Board of Directors of the Company has framed and implemented a Risk Management Policy.

## **Directors' Responsibility Statement**

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the financial year ended on that date;
- (iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis; and
- (v) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Acknowledgments**

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

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

Sd/-

sd/-

**Suresh Soni**  
Managing Director & CEO  
DIN: 02265993

**Alok Saigal**  
Director  
DIN: 08543458

**Date: June 26, 2020**

**Place: Mumbai**

**Form AOC-2**

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

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

(Currency: Indian rupees in millions)

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
-	-	-	-	-	-	-	-	-

**II. Details of material contracts or arrangement or transactions at arm's length basis:**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rs. in million)	Date of approval by the Board	Amount paid as advances, if any
1.	Edelweiss Alternative Asset Advisors Pte Limited (Fellow subsidiary)	Fee income earned from	1 year	213.73	-	Nil

**Edelweiss Alternative Asset Advisors Limited**

**Corporate Identity Number: U67190MH2008PLC182205**

Registered Office: Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai - 400 098 Tel. No.: +91 22 4009 4400

2	Edelweiss Rural & Corporate Services Limited (Fellow subsidiary)	Fee income earned from	1 year	38.67	-	Nil
3	ECL Finance Limited (Fellow subsidiary)	Fee income earned from	1 year	136.27	-	Nil
4	Edelcap Securities Ltd (Fellow subsidiary)	Fee income earned from	1 year	1.78	-	Nil
5	ECap Equities Limited (Fellow subsidiary)	Fee income earned from	1 year	167.27	-	Nil
6	Edelweiss Finvest Private Limited (Fellow subsidiary)	Fee income earned from	1 year	115.54	-	Nil
7	Edelweiss Asset Management Limited (Fellow subsidiary)	Fee income earned from	1 year	(2.06)	-	Nil
8	Edelweiss Value Growth Fund (Fellow subsidiary)	Fee income earned from	1 year	2.21	-	Nil
9	Edelweiss Private Tech Equity Fund (Fellow subsidiary)	Fee income earned from	1 year	0.64	-	Nil

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

Sd/-  
**Suresh Soni**  
**Managing Director & CEO**  
**DIN: 02265993**

Sd/-  
**Alok Saigal**  
**Director**  
**DIN: 08543458**

**Date: June 26, 2020**

**Place: Mumbai**

**Form No. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**As on the financial year ended on 31<sup>st</sup> March, 2020**
**[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
 (Management and Administration) Rules, 2014]**
**I. REGISTRATION AND OTHER DETAILS:**

I.	REGISTRATION AND OTHER DETAILS:	
i)	<b>CIN</b>	U67190MH2008PLC182205
ii)	<b>Registration Date</b>	14/05/2008
iii)	<b>Name of the Company</b>	Edelweiss Alternative Asset Advisors Limited
iv)	<b>Category / Sub-Category of the Company</b>	Public Company/Limited by Shares
v)	<b>Address of the Registered office and contact details</b>	Edelweiss House, Off CST Road, Kalina, Mumbai-400098 Email - cs@edelweissfin.com Tel No - +91 22 4009 4400 Fax No. - +91 22 4086 3759
vi)	<b>Whether listed company</b>	No
vii)	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Link Intime India Private Limited C-101,1 <sup>st</sup> Floor, 247 Park , Lal Bahadur Shastri Marg, Vikhroli West, Mumbai - 400083 Tel No.: +91 22 49186270 Fax No.: +91 22 49186060

<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> All the business activities contributing 10% or more of the total turnover of the company	As per Attachment - A
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	As per Attachment - B
<b>IV.</b>	<b>SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>	
viii)	Category-wise Share Holding	As per Attachment - C
ix)	Shareholding of Promoters	As per Attachment - D
iii)	Change in Promoters' Shareholding	As per Attachment - E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment - F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment - G
<b>V.</b>	<b>INDEBTEDNESS</b>	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment - H
<b>VI.</b>	<b>Remuneration of Directors and Key Managerial Personnel</b>	
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment - I
B.	Remuneration to other directors	As per Attachment - J
C.	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Attachment - K
<b>VII.</b>	<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>	As per Attachment - L

**Attachment - A**

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

<b>Sl. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service#</b>	<b>% to total turnover of the Company\$</b>
1.	Advisory Services and Fund Management Activities	663	95%

# As per National Industrial Classification - Ministry of Statistics and Programme Implementation

\$ On the basis of Gross Income

**Attachment - B**

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Edelweiss Financial Services Limited  Edelweiss House, Off CST Road, Kalina, Mumbai- 400098	L99999MH1995PLC094641	Holding	95%	Section 2(46)

**Attachment - C**
**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year as on April 1, 2019				No. of Shares held at the end of the year as on March 31, 2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	22,55,994	6	22,56,000	95	22,56,000	-	22,56,000	95	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>22,55,994</b>	<b>6</b>	<b>22,56,000</b>	<b>95</b>	<b>22,56,000</b>	<b>-</b>	<b>22,56,000</b>	<b>95</b>	<b>-</b>
(2) <b>Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	<b>22,55,994</b>	<b>6</b>	<b>22,56,000</b>	<b>95</b>	<b>22,56,000</b>	<b>-</b>	<b>22,56,000</b>	<b>95</b>	<b>-</b>
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	1,18,737	1,18,737	5	-	1,18,737	1,18,737	5	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	1,18,737	1,18,737	5	-	1,18,737	1,18,737	5	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>22,55,994</b>	<b>1,18,743</b>	<b>23,74,737*</b>	<b>100</b>	<b>22,56,000*</b>	<b>1,18,743</b>	<b>23,74,737*</b>	<b>100</b>	<b>-</b>

\*Including 6 shares held by 6 nominees of EFSL.

**Attachment - D**

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2019			Share holding at the end of the year as on March 31, 2020			% change In share holding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Edelweiss Financial Services Limited (ESFL)*	22,56,000	95	-	22,56,000	95	-	-
<b>Total</b>		<b>22,56,000</b>	<b>95</b>	<b>-</b>	<b>22,56,000</b>	<b>95</b>	<b>-</b>	<b>-</b>

\* Including 6 shares held by 6 nominees of EFSL

**Attachment - E**

**(iii) Change in Promoters' Shareholding: NIL**

Particulars	Shareholding at the beginning of the year as on April 1, 2019		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>	<b>22,56,000</b>	<b>95</b>	<b>22,56,000</b>	<b>95</b>
Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-
<b>At the End of the year</b>	<b>22,56,000</b>	<b>95</b>	<b>22,56,000</b>	<b>95</b>

**Attachment - F**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	Name	Shareholding at the beginning of the year as on April 1, 2019		Increase / Decrease in shareholding during the year			Date of change	Cumulative shareholding during the financial year April 1, 2019 to March 31, 2020	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company	Reason		No of shares	% of total shares of the Company
1.	Gamla Livförsäkringsaktieföretaget SEB Trygg Liv (publ)	1,18,737	5	-	-	-	-	1,18,737	5

**Attachment - G**

**(v) Shareholding of Directors and Key Managerial Personnel: NIL**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,18,737	5	1,18,737	5
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	-	-	-	-
	At the End of the year	1,18,737	5	1,18,737	5

**Attachment - H**

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
i) Principal Amount	-	1339.85	-	1339.85
ii) Interest due but not paid	-	9.86	-	9.86
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>1349.71</b>	-	<b>1349.71</b>
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
• Addition during the year	-	(218.74)	-	(218.74)
• Reduction	-	(5.39)	-	(5.39)
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	1121.11	-	1121.11
ii) Interest due but not paid	-	4.47	-	4.47
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>1125.59</b>	-	<b>1125.59</b>

**Attachment - I**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Suresh Soni			Total Amount
		Managing Director	Whole time Director	Manager	
1.	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	1,88,21,549	-	1,88,21,549
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	-	1,88,21,549	-	1,88,21,549
	Ceiling as per the Act	-	As per schedule V of the Companies Act, 2013	-	

**Attachment - J**

**B. Remuneration to other Directors: NIL**

Particulars of Remuneration	1	2	3
<b>1. Independent Directors</b>			
Fees for attending board/ committee of meetings	-	-	-
Commission	-	-	-
Others	-	-	-
<b>Total (1)</b>	-	-	-
<b>2. Other Non- Executive Directors</b>			
Fees for attending board/committee of meetings	-	-	-
Commission	-	-	-
Others	-	-	-
<b>Total (2)</b>	-	-	-
<b>Total B (1+2)</b>	-	-	-
<b>Total Managerial Remuneration (A+B)</b>	-	-	-
<b>Overall Ceiling as per the Act</b>	-	-	-

**Attachment - K**

**A. Remuneration to Key Managerial Personnel other than MD/Manager/WTD: N.A.**

Sl. No.	Particulars of Remuneration	1	2	3
		Chief Financial Officer	Company Secretary	Total
1.	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) -Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option (perquisite value)	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others	-	-	-
5.	Others: Bonus	-	-	-
	<b>Total</b>	-	-	-

**Attachment - L**

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			<b>None</b>		
Punishment					
Compounding					

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

**Date: June 26, 2020**

**Place: Mumbai**

Sd/-  
**Suresh Soni**  
**Managing Director & CEO**  
**DIN: 02265993**

sd/-  
**Alok Saigal**  
**Director**  
**DIN: 08543458**

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

We have audited the accompanying Ind AS financial statements of Edelweiss Alternative Asset Advisors Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2020, its Profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

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

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

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



**Management's Responsibilities for the Ind AS Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

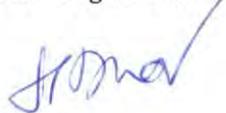
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, 2020 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.

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

  
**Haridas Bhat**  
**Partner**  
**Membership No.:39070**



UDIN: 20039070AAAAEW7808

Place: Mumbai  
Date: June 26, 2020

**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, 2020, we report that:**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets 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 to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) Based on our examination of documents and records, the Company does not own any inventory during the year. Therefore, the provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of loans and advances given and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the services rendered by 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, services tax, goods and service tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, sales tax, value added tax, duty of excise and duty of custom.

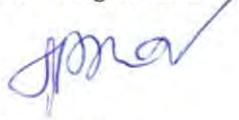
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, services tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became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

- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and service tax and cess which have not been deposited on account of any dispute.



- (viii) The Company does not have any loans or borrowings from any financial institution, bank, government and debenture holders. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

  
**Haridas Bhat**  
**Partner**  
**Membership No.:39070**



UDIN: 20039070AAAAEW7808

Place: Mumbai  
Date: June 26, 2020

## Annexure B to the Auditors' Report

**Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Alternative Asset Advisors 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 Advisors Limited ("the Company")** as of March 31, 2020 in conjunction with our audit of 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 ('ICAI'). 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 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting 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 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
Haridas Bhat  
Partner  
Membership No.:39070



UDIN: 20039070AAAAEW7808

Place: Mumbai  
Date: June 26, 2020

**Edelweiss Alternative Asset Advisors Limited**

**Balance Sheet**

(Currency: Indian rupees in lakhs)

	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	7 40.44	90.27
Other intangible assets	7 276.02	388.46
Financial assets		
(i) Investments	8 235.15	263.20
(ii) Loans	9 9.14	39.01
Current tax assets (net)	10 716.07	315.36
Deferred tax assets (net)	11 56.18	52.65
Other Non current assets	12 3,768.60	2,190.48
	<u>5,101.60</u>	<u>3,339.43</u>
<b>Current assets</b>		
Financial assets		
(i) Cash and cash equivalents	13 90.83	68.80
(ii) Trade receivables	14 2,811.86	7,470.29
(iii) Other financial assets	15 462.50	517.41
Current tax assets (net)	16 566.11	251.54
Other current assets	17 617.82	347.30
	<u>4,549.12</u>	<u>8,655.34</u>
<b>TOTAL ASSETS</b>	<u>9,650.72</u>	<u>11,994.77</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	18 237.47	237.47
Other equity	(3,711.73)	(5,499.39)
	<u>(3,474.26)</u>	<u>(5,261.92)</u>
<b>LIABILITIES</b>		
<b>Non current liability</b>		
Provisions	19 101.04	55.02
Other non current liabilities	20 126.13	-
	<u>227.17</u>	<u>55.02</u>
<b>Current liability</b>		
Financial liabilities		
(i) Borrowings	21 11,255.88	13,497.09
(ii) Trade payables		
(a) total outstanding dues of small enterprises and micro enterprises	43 -	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	635.75	608.90
(iv) Other financial liabilities	22 245.96	2,124.16
Provisions	23 10.37	37.90
Other current liabilities	24 749.85	933.62
	<u>12,897.81</u>	<u>17,201.67</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>9,650.72</u>	<u>11,994.77</u>

Significant accounting policies and notes forming part of the financial statements

1-48

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

**As per our report of even date attached.**

This is the balance sheet 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



26 June 2020

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

*Anurag Madan*

**Anurag Madan**  
Director  
DIN : 01960539  
Mumbai

26 June 2020

*Suresh Soni*

**Suresh Soni**  
Director  
DIN : 02265993  
Mumbai

26 June 2020



## Edelweiss Alternative Asset Advisors Limited

### Statement of Profit and Loss

(Currency: Indian rupees in lakhs)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue from operations</b>			
Interest income	25	1.85	4.62
Revenue from contract with customers	26	13,077.26	10,176.29
Net gain on fair value changes	27	20.41	80.37
<b>Other income</b>	28	645.66	62.32
<b>Total Revenue</b>		<u>13,745.18</u>	<u>10,323.60</u>
<b>Expenses</b>			
Employee benefits expense	29	5,571.94	7,797.36
Finance costs	30	1,255.71	979.75
Depreciation, amortisation and impairment	7	316.38	159.32
Other expenses	31	4,826.70	1,906.20
<b>Total expenses</b>		<u>11,970.73</u>	<u>10,842.63</u>
<b>Profit/ (loss) before tax</b>		1,774.45	(519.03)
<b>Tax expenses</b>			
Current tax	32	(1.88)	2.73
Deferred tax		(3.54)	(16.87)
<b>Profit/ (loss) for the year</b>		<u>1,779.87</u>	<u>(504.89)</u>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain / loss on defined benefit plans		7.79	0.06
<b>Total</b>		<u>7.79</u>	<u>0.06</u>
<b>Total Comprehensive Income</b>		<u>1,787.66</u>	<u>(504.83)</u>
<b>Earnings per equity share (face value Rs.10 each):</b>			
<b>Basic and diluted</b>	33	74.95	(21.26)
Significant accounting policies and notes forming part of the financial statements	1-48		

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

For GMJ & Co.

Chartered Accountants  
Firm's Registration No.: 103429W

Haridas Bhat

Partner  
Membership No: 039070  
Mumbai

26 June 2020



For and on behalf of the Board of Directors

Anurag Madan

Anurag Madan  
Director  
DIN.: 01960539  
Mumbai

26 June 2020

Suresh Soni

Suresh Soni  
Director  
DIN.: 02265993  
Mumbai

26 June 2020



**Edelweiss Alternative Asset Advisors Limited**

**Cash Flow Statement**

(Currency: Indian rupees in lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Cash flow from operating activities</b>		
<b>Loss before taxation</b>	1,774.45	(519.03)
Adjustments for		
Depreciation and amortisation expenses	316.38	159.32
Provision for compensated absences	1.39	17.79
Profit on sale of fixed assets	(17.41)	(6.88)
Net gain on fair value changes	(20.41)	(80.37)
Interest expense on borrowings from fellow subsidiary (includes Interest on inter corporate deposit)	1,254.93	978.70
	<u>3,309.33</u>	<u>549.53</u>
<b>Operating cash flow before working capital changes</b>		
Add / (less): Adjustments for working capital changes		
(Increase)/decrease in trade receivables	4,658.43	(1,424.26)
Decrease in loans and advances	29.87	13.82
Decrease in other financial assets	54.90	180.73
Increase in other non current assets	(1,578.11)	(2,112.21)
Increase in other current assets	(270.51)	(258.98)
Increase in trade payables	26.86	188.98
Increase in provisions	24.89	2.00
Increase/(decrease) in other non current financial liabilities	126.13	-
Increase/(decrease) in other financial liabilities	(1,878.20)	314.68
Increase/(decrease) in other non financial liabilities	(183.77)	277.14
<b>Cash used in/(generated from) operations</b>	<u>4,319.82</u>	<u>(2,268.56)</u>
Income tax paid	(713.40)	(321.86)
<b>Net cash used in/(generated from) operating activity - A</b>	<u>3,606.42</u>	<u>(2,590.42)</u>
<b>Cash flow from investing activities</b>		
Amount received on capital redemption of investments	13.91	123.21
Purchase of Property, plant & equipment	(11.86)	(71.36)
Purchase of intangible assets	(162.06)	(475.96)
Sale of Property, plant & equipment	37.22	21.03
Income received on investments	34.55	94.90
<b>Net cash used in investing activities - B</b>	<u>(88.24)</u>	<u>(308.18)</u>
<b>Cash flow from financing activities</b>		
Proceeds/(repayment) of unsecured short term borrowings (refer note below)	(2,187.30)	3,836.75
Proceeds from inter corporate deposit	5,000	-
Repayment of inter corporate deposit	(5,000)	-
Interest paid (include interest paid on inter corporate deposit)	(1,308.85)	(917.54)
<b>Net cash generated from/(used in) financing activities - C</b>	<u>(3,496.15)</u>	<u>2,919.21</u>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<u>22.03</u>	<u>20.61</u>
Cash and cash equivalents as at the beginning of the year	68.80	48.19
Cash and cash equivalents as at the end of the year (refer note 13)	90.83	68.80

**Note :**

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

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  
26 June 2020



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

Anurag Madan

**Anurag Madan**  
Director  
DIN.: 01960539  
Mumbai  
26 June 2020

Suresh Soni  
Director  
DIN.: 02265993  
Mumbai  
26 June 2020



## Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees in lakhs)

### Statement of Changes in Equity

#### (A) Equity share capital

Balance at the beginning of the reporting period (1 April 2018)	Changes in equity share capital (refer note 18)	Balance at the end of the reporting period (31 March 2019)	Changes in equity share capital	Balance at the end of the reporting period (31 March 2020)
237.47	-	237.47	-	237.47

#### (B) Other Equity

	Reserves and Surplus			Total
	Securities premium	Share Option Reserve	Retained earnings	
<b>Balance at 31 March 2018 (Ind AS)</b>	<b>1,191.12</b>	<b>308.95</b>	<b>(6,494.63)</b>	<b>(4,994.56)</b>
Loss for the year	-	-	(504.89)	(504.89)
Remeasurement gain / loss on defined benefit plans (OCI)	-	-	0.06	0.06
<b>Balance at 31 March 2019 (Ind AS)</b>	<b>1,191.12</b>	<b>308.95</b>	<b>(6,999.46)</b>	<b>(5,499.39)</b>
Profit for the year	-	-	1,779.87	1,779.87
Remeasurement gain / loss on defined benefit plans (OCI)	-	-	7.79	7.79
<b>Balance at 31 March 2020 (Ind AS)</b>	<b>1,191.12</b>	<b>308.95</b>	<b>(5,211.80)</b>	<b>(3,711.73)</b>

#### (i) Securities premium

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

#### (ii) Share Option Reserve

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

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

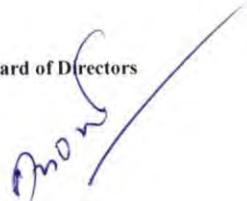
For GMJ & Co.  
Chartered Accountants  
Firm's Registration No.: 103429W

  
**Haridas Bhat**  
Partner  
Membership No: 039070  
Mumbai  
26 June 2020



For and on behalf of the Board of Directors

  
**Anurag Madan**  
Director  
DIN.: 01960539  
Mumbai  
26 June 2020

  
**Suresh Soni**  
Director  
DIN.: 02265993  
Mumbai  
26 June 2020



# 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 Financial Services Limited, a Company incorporated in India and listed on Indian Exchanges.

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)

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

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



# Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

### 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.

#### 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.



# Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

## 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.

### 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]



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

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 the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

### 4.2.2 Financial liabilities

All financial liabilities are measured at amortised cost

#### 4.2.2.1 Debt securities and other borrowed funds



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

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.

### 4.2.3 Financial liabilities and equity instruments

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

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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

### 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
- 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

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.

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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

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

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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

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 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 considers the



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

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 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).



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

### 4.9 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

### 4.10 Foreign currency transactions

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

### 4.11 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).



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

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.

### 4.12 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 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.

### 4.13 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

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

#### 4.14 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

accumulated amortization and any accumulated impairment losses. Intangible assets with finite lives are amortized over the useful economic life.

### 4.15 Impairment of non-financial assets

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

### 4.16 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.

### 4.17 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 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.

### 4.18 Income tax expenses

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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

### 4.18.1 Current tax

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

### 4.18.2 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 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

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.

##### 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

### 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 42.

### 5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Fair value of financial instruments

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

- Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in Lakhs)

Elements of the ECL models that are considered accounting judgements and estimates include:

- Probabilities of defaults (PDs) the calculation of which includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss model basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure at defaults and loss given defaults (LGDs)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary

- Effective interest rate method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

### 6 Standards issued but not yet effective

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



**Edelweiss Alternative Asset Advisors Limited**

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

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

Description of assets	Gross block				Depreciation and ammortization				Net block	
	As at 1 April 2019	Additions during the year	Deductions during the year	As at 31 March 2020	As at 1 April 2019	Additions during the year	Deductions during the year	As at 31 March 2020	As at 31 March 2020	
<b>(A) Property, plant and equipment</b>										
Furniture & Fixtures	-	1.09	-	1.09	-	0.06	-	0.06	1.03	
Office equipment	21.33	5.01	0.59	25.75	14.27	5.20	0.54	18.92	6.83	
Motor vehicle	81.86	-	41.28	40.58	40.98	11.28	25.32	26.95	13.63	
Computers	85.14	5.76	15.26	75.64	42.80	25.34	11.45	56.69	18.95	
<b>Total : A</b>	<b>188.33</b>	<b>11.86</b>	<b>57.13</b>	<b>143.06</b>	<b>98.05</b>	<b>41.88</b>	<b>37.31</b>	<b>102.62</b>	<b>40.44</b>	
<b>(B) Intangible assets</b>										
Computer software	25.77	162.06	-	187.83	19.26	37.00	-	56.26	131.57	
Investment Management Rights	475.00	-	-	475.00	93.05	237.50	-	330.55	144.45	
<b>Total : B</b>	<b>500.77</b>	<b>162.06</b>	<b>-</b>	<b>662.83</b>	<b>112.31</b>	<b>274.50</b>	<b>-</b>	<b>386.81</b>	<b>276.02</b>	



**Edelweiss Alternative Asset Advisors Limited**

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

7 Property, plant and equipment and other intangibles

Description of assets	Gross block				Depreciation and ammortization				Net block
	As at 1 April 2018	Additions during the year	Deductions during the year	As at 31 March 2019	As at 1 April 2018	Additions during the year	Deductions during the year	As at 31 March 2019	As at 31 March 2019
<b>(A) Property, plant and equipment</b>									
Office equipment	19.33	2.04	0.04	21.33	8.61	5.69	0.03	14.27	7.05
Motor vehicle	84.49	16.05	18.68	81.86	27.26	21.62	7.90	40.98	40.88
Computers	38.36	53.27	6.49	85.14	14.06	31.87	3.13	42.80	42.34
<b>Total : A</b>	<b>142.18</b>	<b>71.36</b>	<b>25.21</b>	<b>188.33</b>	<b>49.93</b>	<b>59.18</b>	<b>11.06</b>	<b>98.05</b>	<b>90.27</b>
<b>(B) Intangible assets</b>									
Computer software	24.81	0.96	-	25.77	12.17	7.09	-	19.26	6.51
Investment Management Rights	-	475.00	-	475.00	-	93.05	-	93.05	381.95
<b>Total : B</b>	<b>24.81</b>	<b>475.96</b>	<b>-</b>	<b>500.77</b>	<b>12.17</b>	<b>100.14</b>	<b>-</b>	<b>112.31</b>	<b>388.46</b>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

	As at March 31, 2020	As at March 31, 2019
<b>8 Investments</b>		
<b>Unquoted Investments in units of Alternative Investment Funds (AIF)</b>		
Edelweiss Stressed and Troubled Assets Revival Fund (5,000 units of Face value 10,000 each)	235.15	263.20
	<u>235.15</u>	<u>263.20</u>
The above investments are held in India and are designated as Investments at Fair Value Through Profit or loss.		
<b>9 Loans</b>		
Unsecured at amortised cost		
Loans to employees	9.14	39.01
	<u>9.14</u>	<u>39.01</u>
<b>10 Current tax assets (net)</b>		
Advance tax and tax deducted at source	716.07	315.36
	<u>716.07</u>	<u>315.36</u>
<b>11 Deferred tax assets (net)</b>		
<b>Deferred tax assets (refer note 32)</b>		
Disallowances under section 43B of the Income Tax Act, 1961	4.65	26.86
MAT credit entitlement	-	8.67
Difference between book and tax depreciation (including intangibles)	51.53	17.12
	<u>56.18</u>	<u>52.65</u>
<b>12 Other non current assets</b>		
Prepaid expenses	3,768.60	2,190.48
	<u>3,768.60</u>	<u>2,190.48</u>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

	As at March 31, 2020	As at March 31, 2019		
<b>13 Cash and cash equivalents</b>				
Cash in hand	-	0.49		
Balances with banks				
- in current accounts	90.83	29.38		
Funds in Transit	-	38.93		
	<u>90.83</u>	<u>68.80</u>		
<b>14 Trade receivables</b>				
<b>Unsecured</b>				
Receivables considered good	2,811.86	7,470.29		
Less : Allowance for expected credit losses	-	-		
	<u>2,811.86</u>	<u>7,470.29</u>		
<b>Ageing of Trade receivables</b>				
<b>Trade receivables days past due</b>	<b>0-90days</b>	<b>91-180 days</b>	<b>More than 180 days</b>	<b>Total</b>
<b>As at March 31, 2020</b>				
Estimated total gross carrying amount	2,489.24	124.38	198.24	2,811.86
ECL provision	-	-	-	-
Net carrying amount	2,489.24	124.38	198.24	2,811.86
<b>As at March 31, 2019</b>				
Estimated total gross carrying amount	7,321.77	65.92	82.60	7,470.29
ECL provision	-	-	-	-
Net carrying amount	7,321.77	65.92	82.60	7,470.29
<b>15 Other financial assets</b>				
Advances recoverable in cash or in kind or for value to be received	462.50			517.41
	<u>462.50</u>			<u>517.41</u>
<b>16 Current tax assets (net)</b>				
Advance tax and tax deducted at source	566.11			251.54
	<u>566.11</u>			<u>251.54</u>
<b>17 Other current assets</b>				
Input tax credit	-			19.77
Prepaid expenses	533.23			305.00
Vendor Advances	51.21			5.93
Advances to employees	32.68			15.91
Advances recoverable in cash or in kind or for value to be received	0.70			0.69
	<u>617.82</u>			<u>347.30</u>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**18 Equity share capital**

**a. Authorised :**

3,000,000 (Previous year: 3,000,000) equity shares of Rs. 10/- each

As at  
March 31, 2020

As at  
March 31, 2019

300

300

**b. Issued, subscribed and paid up:**

2,374,737 (Previous year: 2,374,737) equity shares of Rs. 10/- each, fully paid-up

237.47

237.47

237.47

237.47

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

<i>Equity shares</i>	As at March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Number of shares outstanding at the beginning of the year	23,74,737	237.47	23,74,737	237.47
Shares issued during the year	-	-	-	-
Number of shares at the end of the year	-	-	-	-
	<u>23,74,737</u>	<u>237.47</u>	<u>23,74,737</u>	<u>237.47</u>

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

	As at March 31, 2020		As at March 31, 2019	
	No of shares	Percentage of share holding	No of shares	Percentage of share holding
Edelweiss Financial Services Limited and its nominees.	22,56,000	95%	22,56,000	95%
	<u>22,56,000</u>	<u>95%</u>	<u>22,56,000</u>	<u>95%</u>

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

The Company has only one class of shares, referred to as equity shares, having a par value of 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: Indian rupees in lakhs)

	As at March 31, 2020	As at March 31, 2019
<b>19 Provisions</b>		
Provision for employee benefits		
Gratuity	44.20	-
Compensated leave absences	56.84	55.02
	<u>101.04</u>	<u>55.02</u>
<b>20 Other non current liabilities</b>		
Income received in advance	116.05	-
Others	10.08	-
	<u>126.13</u>	<u>-</u>
<b>21 Borrowings (other than debt securities)</b>		
<i><u>Unsecured at amortised cost, within India</u></i>		
Loan from fellow subsidiary (Variable interest rate loan, at prevailing market rate ranging from 11.60% to 11.75 % (previous year: 9.30% to 9.50 %) repayable on demand)	11,255.88	13,497.09
	<u>11,255.88</u>	<u>13,497.09</u>
<b>22 Other Financial Liabilities</b>		
Book overdraft	-	74.72
Accrued salaries and benefits	4.14	1,440.41
Others	241.82	609.03
	<u>245.96</u>	<u>2,124.16</u>
<b>23 Provisions</b>		
Provision for employee benefits		
Compensated leave absences	10.37	10.80
Gratuity		27.10
	<u>10.37</u>	<u>37.90</u>
<b>24 Other current liabilities</b>		
Income received in advance	20.95	145.10
Withholding taxes, Goods & service tax and other taxes payable	599.48	765.99
Others	129.42	22.53
	<u>749.85</u>	<u>933.62</u>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>25 Interest Income</b>		
Interest Income - Others measured at ammortised cost	1.85	4.62
	<u>1.85</u>	<u>4.62</u>
<b>26 Revenue from contract with customers</b>		
Advisory and other fees	13,077.26	10,176.29
	<u>13,077.26</u>	<u>10,176.29</u>
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	13,077.26	10,176.29
<b>Total revenue from contract with customers</b>	<u>13,077.26</u>	<u>10,176.29</u>
<b>27 Net gain on fair value changes</b>		
Fair value gain on financial instruments at fair value through profit or loss (realised)	32.44	86.14
Fair value gain on financial instruments at fair value through profit or loss (unrealised)	(12.03)	(5.77)
	<u>20.41</u>	<u>80.37</u>
<b>28 Other income</b>		
Profit on sale of fixed assets (net)	17.41	6.88
Foreign exchange gain (net)	37.53	50.48
Miscellaneous income and other reimbursements	590.72	4.96
	<u>645.66</u>	<u>62.32</u>



Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>29 Employee benefit expenses</b>		
Salaries, wages and Bonus	5,010.30	7,370.24
Contribution to provident and other funds (refer note 35)	280.84	252.97
Expense on Employee Stock Option Scheme (refer note 47)	135.88	90.74
Staff welfare expenses	54.60	83.41
Expense on Employee Stock Appreciation Rights	90.32	
	<u>5,571.94</u>	<u>7,797.36</u>
<b>30 Finance costs</b>		
Interest on deposits		
Interest on Inter-corporate deposits	108.40	-
On financial liabilities measured at amortised cost		
Interest on loan from fellow subsidiary	1,146.53	976.12
Other interest expense measured at amortised cost		
Interest - others	0.01	2.58
Financial and bank charges	0.77	1.05
	<u>1,255.71</u>	<u>979.75</u>
<b>31 Other expenses</b>		
Advertisement and business promotion	22.10	46.81
Auditors' remuneration (refer note below)	4.00	4.72
Communication	41.67	39.52
Computer expenses	20.59	5.21
Computer software	30.63	1.45
Electricity charges	-	35.56
Insurance	0.40	0.13
Legal and professional fees	51.98	374.38
Membership and subscription	54.57	33.28
Office expenses	582.23	389.68
Printing and stationery	7.71	30.95
Rates and taxes	0.20	1.55
Rent	571.77	438.25
Repairs and maintenance	2.07	1.01
ROC expenses	8.82	0.05
Seminar and conference	4.47	9.45
Goods & Service tax expenses	11.87	7.37
Stamp paper charges	0.77	-
Travelling and conveyance	337.88	307.31
Miscellaneous expenses	0.52	0.01
Site related expenses	0.41	-
Advisory Fees Expenses	596.59	-
Usage of Assets	2.64	-
Selling and Distribution expenses	2,472.84	179.51
	<u>4,826.70</u>	<u>1,906.20</u>
<b>Note:</b>		
<b>Auditors' remuneration:</b>		
As auditor	4.00	4.37
Taxation matters	-	0.35
	<u>4.00</u>	<u>4.72</u>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

#### 32 Deferred Tax assets

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

Particulars	March 31, 2020	March 31, 2019
Current tax		
Adjustment in respect of current income tax of prior years	(1.88)	2.73
Mat credit entitlement	8.67	-
Deferred tax relating to origination and reversal of temporary differences	(12.21)	(16.87)
<b>Total tax charge</b>	<b>(5.42)</b>	<b>(14.14)</b>
Current tax	(1.88)	2.73
Deferred tax	(3.54)	(16.87)

#### 32.1 Reconciliation of total tax charge

Particulars	March 31, 2020	March 31, 2019
Accounting profit before tax as per financial statements	1,774.45	(519.03)
Tax rate (in percentage)	25.17%	26.00%
Income tax expense calculated based on this tax rate	446.63	(134.95)
Adjustment in respect of current income tax of prior years	(1.88)	2.73
Others	(9.52)	(20.15)
Effect of non-recognition of deferred tax asset on current-period losses	-	138.22
Impact of tax rate changes (between two accounting periods)	(1.40)	-
Write-down of available tax credits which are not considered recoverable (for example, Minimum Alternate Tax credit)	8.67	-
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised	(447.91)	-
<b>Tax charge for the year recorded in P&amp;L</b>	<b>(5.42)</b>	<b>(14.14)</b>

Break-up of recognition of current tax	March 31, 2020	March 31, 2019
In P&L	(1.88)	2.73
In OCI	-	-
Directly in equity	-	-
<b>Total</b>	<b>(1.88)</b>	<b>2.73</b>



**Edelweiss Alternative Asset Advisors Limited**

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

**32 Deferred Tax assets (continued)**

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

As at 31 March 2020		Unused tax losses			
Financial Year to which the loss relates to	Unused business losses		Unabsorbed depreciation		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
A.Y 2015-2016	-	2022-2023	17.88	N.A	17.88
A.Y 2016-2017	1,210.12	2023-2024	42.83	N.A	1,252.95
A.Y 2017-2018	2,812.01	2024-2025	39.13	N.A	2,851.14
A.Y 2018-2019	1,191.98	2025-2026	39.36	N.A	1,231.34
A.Y 2019-2020	324.85	2026-2027	109.09	N.A	433.94
<b>Total</b>	<b>5,538.96</b>		<b>248.29</b>		<b>5,787.25</b>

As at 31 March 2019		Unused tax losses			
Financial Year to which the loss relates to	Unused business losses		Unabsorbed depreciation		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
A.Y 2015-2016	788.43	2022-2023	17.88	N.A	806.31
A.Y 2016-2017	2,303.93	2023-2024	42.83	N.A	2,346.76
A.Y 2017-2018	2,669.30	2024-2025	39.13	N.A	2,708.43
A.Y 2018-2019	1,191.98	2025-2026	39.36	N.A	1,231.34
A.Y 2019-2020	423.38	2026-2027	108.24	N.A	531.62
<b>Total</b>	<b>7,377.02</b>		<b>247.44</b>		<b>7,624.46</b>



Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

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

	Movement for the year ended 31 March 20		
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:			
Property, Plant and Equipment	17.12	34.42	51.54
Employee benefits obligations	26.85	(22.21)	4.64
Unused tax credits (Minimum Alternate Tax credit)	8.67	(8.67)	-
<b>Total</b>	<b>52.64</b>	<b>3.54</b>	<b>56.18</b>

	Movement for the year ended 31 March 19		
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:			
Property, Plant and Equipment	12.49	4.63	17.12
Employee benefits obligations	14.61	12.24	26.85
Unused tax credits (Minimum Alternate Tax credit)	8.67	-	8.67
<b>Total</b>	<b>35.77</b>	<b>16.87</b>	<b>52.64</b>

33 Earnings per share

	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Net amount attributable to the equity shareholders (as per statement of profit and loss)	1,779.87	(504.89)
b) Calculation of weighted average number of equity Shares of Rs 10 each:		
- Number of shares at the beginning of the year	23,74,737.00	23,74,737.00
- Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	23,74,737.00	23,74,737.00
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	23,74,737.00	23,74,737.00
c) Basic and diluted earnings per share (in rupees) (a/b)	74.95	(21.26)



**34 Segment reporting.**

Company has two operating segments. Capital based business and Agency business

Capital based business comprises of Income from income from investments and treasury operations.

Agency business generates Fee income

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment.

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

	Segment Results	For the year ended 31 March 2020	For the year ended 31 March 2019
I	Particulars		
	Segment revenue		
	a) Capital based business	20.41	80.37
	b) Agency business	13,724.77	10,243.23
	c) Unallocated	-	-
	Total	13,745.18	10,323.60
	Less : Inter segment revenue	-	-
	Total Income	13,745.18	10,323.60
II	Segment results		
	a) Capital based business	20.41	80.37
	b) Agency business	1,754.04	(599.40)
	c) Unallocated	-	-
	Total	1,774.45	(519.03)
	Profit before taxation	1,774.45	(519.03)
	Less : Provision for taxation	(5.42)	(14.14)
	Profit after taxation	1,779.87	(504.89)
III	Segment assets		
	a) Capital based business	235.15	263.20
	b) Agency business	9,415.57	11,731.57
	c) Unallocated	-	-
	Total	9,650.72	11,994.77
IV	Segment liabilities		
	a) Capital based business	-	-
	b) Agency business	13,124.98	17,256.69
	c) Unallocated	-	-
	Total	13,124.98	17,256.69
V	Capital expenditure (Including capital work-in-progress)		
	a) Capital based business	-	-
	b) Agency business	173.92	547.32
	c) Unallocated	-	-
	Total	173.92	547.32
VI	Depreciation and amortisation		
	a) Capital based business	-	-
	b) Agency business	316.38	159.32
	c) Unallocated	-	-
	Total	316.38	159.32
VII	Significant non-cash expenses other than depreciation and amortisation		
	a) Capital based business	-	-
	b) Agency business	1.39	17.79
	c) Unallocated	-	-
	Total	1.39	17.79



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

#### 35. Retirement Benefit Plan

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

Amount of 191.84 lakhs (Previous year: 201.57) is recognised as expenses and included in "Employee benefit expense" – Note 29 in the 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.

#### Statement of profit and loss

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

	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost	61.59	49.83
Net Interest on net defined benefit liability/(asset)	6.46	1.55
Past service cost	20.93	-
<b>Total included in 'Employee benefits expense'</b>	<b>88.98</b>	<b>51.38</b>

b) Present value of defined benefit obligation

	As at 31 March 2020	As at 31 March 2019
Present value of DBO at the beginning of the year	328.70	227.37
Transfer (out)/in	36.16	0.66
Interest cost	25.54	16.65
Current service cost	61.59	49.83
Benefits paid	(58.12)	-
Past service cost	20.93	-
Effect of Acquisition/(divestiture)	-	32.81
Actuarial (gain)/loss	(26.36)	1.38
<b>Present value of DBO at the end of the year</b>	<b>388.44</b>	<b>328.70</b>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

#### c) Reconciliation of fair value of plan assets

Particulars	As at 31 March 2020	As at 31 March 2019
Fair value of plan assets at the beginning of the year	301.60	202.20
Interest income on plan asset	19.08	15.10
Contributions by Employer	100.25	50.05
Benefits paid	(58.12)	-
Effect of acquisition	-	32.81
Return on plan assets excluding amount included in interest on the net defined benefit liability/(asset)	(18.57)	1.44
Fair value of plan assets at the end of the year	344.24	301.60

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

	As at 31 March 2020	As at 31 March 2019
Present value of defined benefit obligation	388.44	328.70
Fair value of plan assets at the end of the year	344.24	301.60
Amount recognized in Balance sheet (assets)/liabilities	44.20	27.10
Experience Adjustment on Plan Liabilities (gain)/loss	(52.15)	(3.61)

#### e) Principle actuarial assumptions at the balance sheet date:

	As at 31 March 2020	As at 31 March 2019
Discount rate	5.90%	7.00%
Salary escalation rate	7.00%	7.00%
Employees attrition rate	13%-25%	13%-25%
Expected weighted average remaining work life (years)	5 years	5 years
Mortality	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

#### f) Movement in other comprehensive income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Balance at end of year (Loss)/Gain	0.06	-
Re- measurements on DBO		
Actuarial (Loss)/gain from change in financial assumptions	(25.79)	(4.99)
Actuarial (Loss)/gain from experience over the past year	52.15	3.61
Re- measurements on Plan assets		
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	(18.57)	1.44
Balance at end of year (Loss)/Gain	7.85	0.06



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

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

Particulars	01-Apr-19	Cash flows	Changes in fair values	Exchange differences	Others*	31-Mar-20
Borrowings other than debt securities	13,497.09	(3,496.15)	-	-	1,254.94	11,255.88
Total liabilities from financing activities	13,497.09	(3,496.15)	-	-	1,254.94	11,255.88

Particulars	01-Apr-18	Cash flows	Changes in fair values	Exchange differences	Others*	31-Mar-19
Borrowings other than debt securities	9,599.18	2,919.21	-	-	978.70	13,497.09
Total liabilities from financing activities	9,599.18	2,919.21	-	-	978.70	13,497.09

\* Represents Interest expense for the year.

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

##### 37.1 Legal claims

There are no legal claims outstanding against the Company as at 31 March 2020 (previous year Nil)

##### 37.2 Operating lease commitments

The company has not taken any premises or equipment on lease as at 31 March 2020 (previous year Nil)

##### 37.3 Contingent liabilities and assets

The company doesn't have contingent liabilities as at 31 March 2020 (previous year Nil)

##### 37.4 Uncalled liabilities

There are no uncalled liabilities on non-current investments as on 31 March 2020 and 31 March 2019

##### 37.5 Estimated amounts of contracts

Estimated amounts of contracts remaining to be executed on capital account and not provided for Nil (Previous year Rs. 1.95)



**Edelweiss Alternative Asset Advisors Limited**

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

**38** Disclosure as required by Ind AS 24– “Related Party Disclosure”:

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

Edelweiss Financial Services Limited - Holding company

**B** Fellow subsidiaries with whom transactions have taken place:

Edelweiss Rural & Corporate Services Limited  
Edelweiss Alternative Asset Advisors Pte Limited  
Edelweiss Broking Limited  
Edelweiss Asset Management limited  
ECL Finance Limited  
Edelweiss Asset Reconstruction Company Limited  
Edelcap Securities Limited  
Edelweiss Finvest Private Limited  
ECap Equities Limited  
Edelweiss Finance & Investments Limited  
Edelweiss Securities Limited  
Edelweiss Global Wealth Management Limited  
Edelweiss Housing Finance Limited  
Edelweiss Investment Advisors Limited  
EdelGive Foundation  
Edel Investments Limited  
Edelweiss Value Growth Fund  
Edelweiss Private Tech Equity Fund  
Edelweiss Custodial Services Limited  
Edelweiss Multi Strategy Fund Advisors LLP



**Edelweiss Alternative Asset Advisors Limited**

(Currency: Indian rupees)

38 Disclosure as required by Ind AS 24- "Related Party Disclosure"

Transactions and balances with related parties for the year ended 31 March 2020

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2020	For the year ended 31 March 2019
(I)	<b>Current account transactions during the year</b>			
	<b>Short term loans taken from (refer note below)</b>			
		Edelweiss Rural & Corporate Services Limited	657.20	5044.36
		ECap Equities Limited	301.21	-
	<b>Short term deposits taken from</b>	Edelweiss Custodial Services Limited	5000.00	-
	<b>Repayment of short term loans to (refer note below)</b>			
		Edelweiss Rural & Corporate Services Limited	2844.50	1207.61
		ECap Equities Limited	301.21	-
	<b>Short term deposits repayed to</b>	Edelweiss Custodial Services Limited	5000.00	-
	<b>Interest expense on loans taken from</b>			
		Edelweiss Rural & Corporate Services Limited	1143.30	976.12
		ECap Equities Limited	3.23	-
	<b>Interest expense on deposits taken from</b>	Edelweiss Custodial Services Limited	108.40	0.00
	<b>Purchase of Fixed Assets</b>			
		Edelweiss Housing Finance Limited	0.41	0.12
		Edelweiss Broking Limited	0.93	1.09
		Edelweiss Asset Reconstruction Company Limited	0.48	9.76
		Edelweiss Financial Services Limited	0.21	0.43
		EdelGive Foundation	0.28	0.00
		Edelweiss Asset Management Limited	1.07	0.00
		Edelweiss Investment Advisors Limited	0.15	0.32
		ECL Finance Limited	0.30	0.44
		Edelweiss Financial Services Limited	-	0.43
		Edelweiss Rural & Corporate Services Limited	-	7.05
		Edelweiss Finance and Investments Limited	-	0.19
	<b>Proceeds from sale of fixed assets</b>			
		Edelweiss Asset Reconstruction Company Limited	1.43	1.44
		ECL Finance Limited	0.14	0.00
		Edelweiss Broking Limited	0.72	1.46
		Edelcap Securities Ltd	0.00	-
		Edelweiss Asset Management Limited	0.62	-
		Edelweiss Financial Services Limited	0.15	-
		Edelweiss Finvest Private Limited	0.41	-
		Edelweiss Custodial Services Limited	0.02	-
		Edelweiss Housing Finance Limited	0.33	0.08
		Edelweiss Securities Limited	0.19	-
		Edelweiss Rural & Corporate Services Limited	-	0.31
		EdelGive Foundation	-	0.30
	<b>Fund raising Distributor's expenses</b>			
		Edelweiss Global Wealth Management Limited	141.85	15.16
		Edelweiss Global Wealth Management Limited (As appearing under prepaid expenses)	291.87	239.62
		Edelweiss Broking Limited	2154.01	94.31
		Edelweiss Broking Limited (As appearing under prepaid expenses)	3244.31	1417.83
	<b>Reimbursements paid to</b>			
		Edelweiss Rural & Corporate Services Limited	0.03	80.15
		Edelweiss Financial Services Limited	0.00	72.46
	<b>Reimbursements received from</b>			
		Edelweiss Alternative Asset Advisors Pte Limited	191.08	827.76
		Edelweiss Rural & Corporate Services Limited	10.19	70.05
		ECL Finance Limited	39.69	99.02
		Edelcap Securities Ltd	0.71	0.00
		Edelweiss Asset Reconstruction Company Limited	9.46	19.26
		Edelweiss Finvest Private Limited	8.23	58.64
		ECap Equities Limited	14.24	36.09
		Edelweiss Financial Services Limited	-	558.25
		Edelweiss Value Growth Fund	7.50	-
	<b>Advisory fee expense</b>	ECL Finance Limited	583.34	-
	<b>Office expenses</b>			
		Edelweiss Financial Services Limited	141.44	-
		Edelweiss Rural & Corporate Services Limited	435.71	384.92



**Edelweiss Alternative Asset Advisors Limited**

(Currency: Indian rupees)

**Transactions and balances with related parties for the year ended 31 March 2020**

	Nature of transaction	Related party name	For the year ended 31 March 2020	For the year ended 31 March 2019
	<b>Cost reimbursements paid to</b>	Edelweiss Financial Services Limited	51.74	55.75
		Edelweiss Rural & Corporate Services Limited	414.74	367.06
		ECap Equities Limited	26.06	25.77
		Edelweiss Securities Limited	13.84	0.40
		Edel Land Limited - Fountain Head	2.10	-
		Edelweiss Custodial Services Limited	0.11	-
		Edelweiss Broking Limited	1.63	1.16
		ECL Finance Limited	39.94	34.07
		Edelweiss Asset Management Limited	36.88	9.52
	<b>Fee income earned from</b>	Edelweiss Alternative Asset Advisors Pte Limited	2137.25	2559.68
		Edelweiss Rural & Corporate Services Limited	386.69	511.87
		ECL Finance Limited	1362.69	1750.74
		Edelcap Securities Ltd	17.82	1.14
		ECap Equities Limited	1672.67	337.38
		Edelweiss Finvest Private Limited	1155.37	290.81
		Edelweiss Asset Management Limited	(20.60)	-
		Edelweiss Value Growth Fund	22.09	-
		Edelweiss Private Tech Equity Fund	6.41	-
		Edelweiss Asset Reconstruction Company Limited	-	848.22
	<b>Reimbursement income earned from</b>	Edelweiss Alternative Asset Advisors Pte Limited	398.18	-
(II)	<b>Balances with related parties</b>			
	<b>Short-term borrowings</b>	Edelweiss Rural & Corporate Services Limited	11,211.18	13,398.48
	<b>Trade payable to</b>	Edelweiss Financial Services Limited	19.71	3.30
		Edelweiss Asset Management Limited	4.16	1.87
		Edelweiss Securities Limited	0.09	0.05
		Edelweiss Rural & Corporate Services Limited	81.03	268.91
		ECL Finance Limited	369.76	9.29
		Edelweiss Multi Strategy Fund Advisors LLP	12.98	-
		Edelweiss Global Wealth Management Limited	-	119.69
		ECap Equities Limited	-	7.38
		Edelweiss Broking Limited	-	0.35
		Edelweiss Asset Reconstruction Company Limited	-	0.10
	<b>Nomination deposit payable to</b>	Edelweiss Financial Services Limited	1.00	1.00
	<b>Interest accrued and due on borrowings from</b>	Edelweiss Rural & Corporate Services Limited	44.70	98.61
	<b>Other financial liabilities</b>			
	<b>Other payables</b>	Edelweiss Financial Services Limited	232.69	90.74
		Edelweiss Asset Reconstruction Company Limited	1.36	5.71
		Edelweiss Asset Management Limited	3.99	-
		Edelweiss Global Wealth Management Limited	0.04	-
		Edelweiss Securities Limited	1.53	-
		Edel Investments Limited	-	5.54
		Edelweiss Broking Limited	-	1.46
		Edelweiss Finvest Private Limited	-	0.27
		EdelGive Foundation	-	0.30
		Edelweiss Rural & Corporate Services Limited	-	0.31
		Edelweiss Housing Finance Limited	-	0.08
	<b>Trade receivables</b>	Edelweiss Alternative Asset Advisors Pte Limited	228.75	1496.76
		ECap Equities Limited	140.97	268.66
		Edelcap Securities Ltd	1.62	1.33
		Edelweiss Broking Ltd	1.77	0.13
		Edelweiss Asset Reconstruction Company Limited	10.97	998.56
		Edelweiss Finvest Private Limited	186.95	349.17
		Edelweiss Global Wealth Management Limited	13.69	-
		ECL Finance Ltd	-	2045.89
		Edelweiss Rural & Corporate Services Limited	-	609.28
		Edelweiss Value Growth Fund	26.06	6.41
		Edelweiss Private Tech Equity Fund	7.57	1.88
		Edelweiss Housing Finance Limited	-	0.09
	<b>Other financial assets</b>			
	<b>Advances recoverable from</b>	ECL Finance Ltd	17.56	-
		Edelweiss Broking Ltd	11.36	-
		Edelweiss Finvest Private Limited	12.98	-
		Edelweiss Rural & Corporate Services Limited	7.68	-
		Edelweiss Securities Limited	-	7.29
		Edelweiss Financial Services Limited	-	0.39
		Edelweiss Asset Management Limited	-	0.89
		Edelcap Securities Ltd	-	0.72
		Edelweiss Value Growth Fund	-	7.50

**Note :**

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



**Edelweiss Alternative Asset Advisors Limited**

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

**(Currency: Indian rupees in lakhs)**

**39 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.

**40 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. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained in **Note 40.4**

**40.1 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	31 March 2020			
	Level 1	Level 2	Level 3	Total
Investments in Units of AIF	-	-	235.15	235.15
Total financial assets measured at fair value on a recurring basis	-	-	235.15	235.15

Particulars	31 March 2019			
	Level 1	Level 2	Level 3	Total
Investments in Units of AIF	-	-	263.20	263.20
Total financial assets measured at fair value on a recurring basis	-	-	263.20	263.20

**40.2 Movement in level 3 financial instrument measured at fair value**

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

Particulars	Financial assets	
	March 31, 2020	March 31, 2019
<b>Investments in units of AIF</b>		
At 1 April	263.20	400.94
Purchase	-	-
Redemption	(48.46)	(218.11)
Gains / (losses) for the period recognised in profit or loss	20.41	80.37
Gains / (losses) for the period recognised in other comprehensive income	-	-
<b>At 31 March</b>	<b>235.15</b>	<b>263.20</b>
Unrealised gains / (losses) related to balances held at the end of the period	(12.03)	(5.77)

**40.3 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 in lakhs)

**40.4 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 31 March 2020	Fair value of liability as on 31 March 2020	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	235.15	-	Net assets approach	Fair value of underlying investments	NAV per unit Rs. 4,698.72	5%	11.75	5%	(11.75)
<b>Total</b>	<b>235.15</b>	<b>-</b>					<b>11.75</b>		<b>(11.75)</b>
Investments in units of AIF	263.20	-	Net assets approach	Fair value of underlying investments	NAV per unit Rs. 5,226.96	5%	13.04	5%	(13.04)
<b>Total</b>	<b>263.20</b>	<b>-</b>					<b>13.04</b>		<b>(13.04)</b>



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

#### 41 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

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

Particulars	Financial services	
	March 31, 2020	March 31, 2019
<b>Financial assets</b>		
Cash and cash equivalent and other bank balances	90.83	68.80
Investments	235.15	263.20
Other financial assets	462.50	517.41
Trade and other receivables	2,811.86	6,737.48
<b>Total</b>	<b>3,600.34</b>	<b>7,586.89</b>

Particulars	Other services	
	March 31, 2020	March 31, 2019
<b>Financial assets</b>		
Trade and other receivables	-	732.81
Loans	9.14	39.01
<b>Total</b>	<b>9.14</b>	<b>771.82</b>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency Indian rupees in lakhs)

**41 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**

	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	1 year to 3 years	Total
<b>As at 31 March 2020</b>								
Trade payables	-	-	-	-	635.75	-	-	635.75
Other financial liabilities	-	-	-	-	245.96	-	-	245.96
Borrowings (other than debt securities)	11,255.88	-	-	-	-	-	-	11,255.88
<b>Total undiscounted non-derivative financial liabilities</b>	<b>11,255.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>881.71</b>	<b>-</b>	<b>-</b>	<b>12,137.59</b>
<b>As at 31 March 2019</b>								
Trade payables	-	-	-	-	608.90	-	-	608.90
Other financial liabilities	-	-	74.72	-	2,049.44	-	-	2,124.16
Borrowings (other than debt securities)	13,497.09	-	-	-	-	-	-	13,497.09
<b>Total undiscounted non-derivative financial liabilities</b>	<b>13,497.09</b>	<b>-</b>	<b>74.72</b>	<b>-</b>	<b>2,658.34</b>	<b>-</b>	<b>-</b>	<b>16,230.15</b>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency Indian rupees in lakhs)

**41 Risk Management (Continued)**

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

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

	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	1 year to 3 years	Total
<b>As at 31 March 2020</b>	90.83	-	-	2,340.13	174.37	297.36	-	90.83
Cash and cash equivalent and other bank balances	-	-	-	-	-	-	-	2,811.86
Trade receivables	-	-	-	-	-	-	9.14	9.14
Loans	-	-	-	-	-	-	235.15	235.15
Investments at fair value through profit or loss	-	-	-	-	462.50	-	-	462.50
Other financial assets	-	-	-	2,340.13	636.87	297.36	244.29	3,609.48
<b>Total</b>	90.83	-	-	2,340.13	636.87	297.36	244.29	3,609.48

	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	1 year to 3 years	Total
<b>As at 31 March 2019</b>	68.80	-	-	7,470.29	-	-	-	68.80
Cash and cash equivalent and other bank balances	-	-	-	-	-	-	-	7,470.29
Trade receivables	-	-	-	-	-	-	39.01	39.01
Loans	-	-	-	-	-	-	263.20	263.20
Investments at fair value through profit or loss	-	-	-	-	517.41	-	-	517.41
Other financial assets	-	-	-	7,470.29	517.41	-	302.21	8,358.71
<b>Total</b>	68.80	-	-	7,470.29	517.41	-	302.21	8,358.71



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

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

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

March 31, 2020			
Particulars	Unencumbered		Total carrying amount
	Available as collateral	others <sup>1</sup>	
Cash and cash equivalent including bank balance	-	90.83	90.83
Trade receivables	2,811.86	-	2,811.86
Other financial assets	-	462.50	462.50
Loan	-	9.14	9.14
Investments	235.15	-	235.15
Property, Plant and Equipment	-	40.44	40.44
<b>Total assets</b>	<b>3,047.01</b>	<b>602.91</b>	<b>3,649.92</b>

March 31, 2019			
Particulars	Unencumbered		Total carrying amount
	Available as collateral	others <sup>1</sup>	
Cash and cash equivalent including bank balance	-	68.80	68.80
Trade receivables	7,470.29	-	7,470.29
Other financial assets	-	517.41	517.41
Loan	-	39.01	39.01
Investments	263.20	-	263.20
Property, Plant and Equipment	-	90.27	90.27
<b>Total assets</b>	<b>7,733.49</b>	<b>715.49</b>	<b>8,448.98</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.



Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

41 Risk Management (Continued)

E 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	March 31, 2020					
	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	(28.14)	-	25	28.14	-

Currency of borrowing / advances	March 31, 2019					
	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	(33.74)	-	25	33.74	-

(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	March 31, 2020					
	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	11.44	-	5	(11.44)	-

Currency	March 31, 2019					
	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	74.84	-	5	(74.84)	-

(iii) 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	March 31, 2020					
	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 and Trusts	5	11.75	-	5	(11.75)	-

Impact on	March 31, 2019					
	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 and Trusts	5	13.04	-	5	(13.04)	-



Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

41 Risk Management (Continued)

E Market Risk (Continued)

(iv) 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, 2020		March 31, 2019	
	Carrying amount	Traded risk	Non-traded risk	Carrying amount
<b>Assets</b>				
Cash and cash equivalent and other bank balances	90.83	-	90.83	68.80
Loans	9.14	-	9.14	39.01
Trade receivables	2,811.86	-	2,811.86	7,470.29
Investments in units of AIF	235.15	-	235.15	263.20
Other Financial Assets	462.50	-	462.50	517.41
<b>Total</b>	<b>3,609.48</b>	<b>-</b>	<b>3,609.48</b>	<b>8,358.71</b>

Liability	March 31, 2020		March 31, 2019	
	Carrying amount	Traded risk	Non-traded risk	Carrying amount
Borrowings (other than Debt Securities)	11,255.88	-	11,255.88	13,497.09
Trade payables	635.75	-	635.75	608.90
Other financial liabilities	245.96	-	245.96	2,124.16
<b>Total</b>	<b>12,773.34</b>	<b>-</b>	<b>12,137.59</b>	<b>16,230.15</b>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**42 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	
	31-Mar-20	31-Mar-19
Investments in AIF	235.15	263.20
Trade Receivables	2,626.49	1,700.42
<b>Total Assets</b>	<b>2,861.64</b>	<b>1,963.62</b>
Size of the structured entities	5,88,830.39	4,31,690.46
Income from the structured entities	8,956.03	3,440.90

- 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 2020	Year ended 31 March 2019
Income from those structure entities	8,956.03	3,440.90
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 in lakhs)

### 43. Details of dues to micro, small and medium enterprises

Trade Payables includes Rs. Nil (Previous year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. 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.

### 44. Cost Sharing

Edelweiss Financial Services Limited, being the 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 **Note 31** are gross of the reimbursements

### 45. 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)

	For the year ended March 2020	For the year ended March 2019
Travelling and conveyance	5.27	12.81
Advertisement and business promotion	3.58	24.28
Membership and subscription charges	-	6.43
Market data services	-	27.52
<b>Total</b>	<b>8.85</b>	<b>71.04</b>

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

	For the year ended March 2020	For the year ended March 2019
Advisory and other fees	2,137.25	2,559.68
Reimbursement income	398.18	-
<b>Total</b>	<b>2,535.43</b>	<b>2,559.68</b>



# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

46. 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.

### 47. Expense on Employee Stock Option Schemes

The 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.

### 48. Previous year comparatives

Previous year figures have been regrouped and rearranged wherever necessary.

As per our report of even date attached.

For GMJ & Co.

Chartered Accountants

Firm's Registration No.: 103429W



**Haridas Bhat**

Partner

Membership No: 039070

Mumbai

26 June 2020



For and on behalf of the Board of Directors



**Anurag Madan**

Director

DIN.: 01960539

Mumbai

26 June 2020



**Suresh Soni**

Director

DIN.: 02265993

Mumbai

26 June 2020



## **Edelweiss Alternative Asset Advisors Limited**

**Corporate Identity Number: U67190MH2008PLC182205**

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**Annual Report for the year ended March 31, 2021**

# **Edelweiss Alternative Asset Advisors Limited**

## **Financial Statement for the year ended March 31, 2021**

### **Board of Directors**

Mr. Suresh Soni

Mr. Hemant Daga

Mr. Kamala Kantharaj

Mr. Kanu Doshi

Mr. Sunil Phatarphekar

### **Chief Financial Officer**

Mr. Hemal Mehta

### **Company Secretary**

Mr. Deepak Mukhija

### **Statutory Auditors**

GMJ & Co, Chartered Accountants

### **Registered Office**

Edelweiss House,

Off C.S.T. Road, Kalina,

Mumbai - 400098.

Corporate Identity No.:

U67190MH2008PLC182205

Tel: +91 22 4009 4400

Fax: +91 22 4086 3759

## **BOARD'S REPORT**

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To the Members of Edelweiss Alternative Asset Advisors Limited,

The Directors present their 13<sup>th</sup> Annual Report on the business, operations and the state of affairs of the Company together with the audited financial statements for the year ended March 31, 2021:-

### **Financial Highlights**

Particulars	(₹ in million)	
	2020-2021	2019-2020
<b>Total income</b>	1444.54	1374.52
Total Expenses	1296.02	1197.07
<b>Profit/(Loss) Before Tax</b>	148.52	177.45
Tax Expenses/ (Benefit)	-	(0.54)
<b>Profit/(Loss) for the year</b>	153.94	177.99
<b>Other Comprehensive Income</b>		
Re-measurement gain on defined benefit plans	6.74	0.78
Total Comprehensive Income	158.99	178.77
<b>Opening Balance</b>		
<b>Loss carried forward</b>	521.18	699.94
<b>Surplus carried to Balance Sheet</b>	362.19	521.18

### **Information on the state of affairs of the Company**

During the year ended March 31, 2021, the Company earned the revenue of ₹1444.54 million as against ₹1,374.52million during the previous year. The Company incurred the profit of ₹ 15394 million during the year ended March 31, 2021 as against the ₹ 177.99 million during the previous year.

### **Impact of Covid-19 pandemic**

COVID-19 has been declared as a pandemic. It has restricted and disrupted regular function of work. Your company has put a framework for work from home for its employees. Regular client meeting as well as execution of assignments are been carried out through video conferencing and electronically. Your Company is fully functionally through the aforementioned means.

The Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at March 31, 2021. Since the revenue of the Company is ultimately dependent on the value of the assets it manages, changes in market conditions and the trend of flows into alternate funds may have an impact on the operations of the Company. Basis the assessment, the management does not, at this juncture, believe that the impact on the value of the Company's assets or its operations is likely to be material.

### **Edelweiss Securities and Investments Private Limited - holding company**

Edelweiss Securities and Investments Private Limited (ESIPL) had on March 12, 2021, completed the acquisition of 51% of the paid-up equity share capital of the Company from Edelweiss Securities Limited and consequently, the Company has become the subsidiary of ESIPL.

ESIPL is a subsidiary of Edelweiss Financial Services Limited (EFSL), and EFSL continues to be the ultimate holding company of the Company.

### **Issuance of new securities during the year**

During the year ended March 31, 2021, the Company issued and allotted 1,00,00,000 equity shares of Rs. 10/- each at face value for aggregate amount of Rs. 10,00,00,000/- on right basis to the existing shareholders.

Additionally, during the year ended March 31, 2021, the Company issued 11,00,00,000 Compulsorily Convertible Debentures of Rs. 10/- each at face value for aggregate amount of Rs. 110,00,00,000/- under private placement to some of the Edelweiss Group Companies.

### **Loans, Investments and Guarantees**

The particulars of loans given and investments made by the Company are provided in the financial statement. Further, during the year under review, the Company has not given any guarantee or provided any securities.

### **Related Party Transactions**

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

The particulars of the material contracts/arrangements entered into by the Company with related parties on arm's length are disclosed in Form No. AOC -2 (Annexure - I).

## **Directors**

### **i. Managing Director & CEO**

During the year under review, Mr. Suresh Soni, the Executive Director was re-designated as the Managing Director & CEO of the Company.

### **ii. Directors**

Mr. Hemant Daga was appointed as Additional Directors with effect from January 18, 2021. Subsequently, Mr. Hemant Daga was designated as the Executive Director of the Company.

Mr. Daga holds office upto the date of the forthcoming Annual General Meeting (AGM) of the Company. The approval of members for appointment of Mr. Daga as Director of the Company liable to retirement by rotation is being sought at the forthcoming AGM.

Ms. Kamala Kantharaj was appointed as Additional Directors with effect from February 05, 2021.

Ms. Kamala Kantharaj holds office upto the date of the forthcoming Annual General Meeting (AGM) of the Company. The approval of members for appointment of Ms. Kamala Kantharaj as Director of the Company liable to retirement by rotation is being sought at the forthcoming AGM.

### **iii. Non-Executive Independent Directors**

Mr. Kanu Doshi and Mr. Sunil Phatarphekar were appointed as the Non-executive Independent Directors of the Company, with effect from August 13, 2021.

Being the Independent Directors of the Company, the term of Mr. Kanu Doshi and Mr. Sunil Phatarphekar is 5 years, subject to the approval of the Members. The approval of the members for appointment of Mr. Kanu Doshi and Mr. Sunil Phatarphekar as Non-Executive Independent Directors is being sought at the forthcoming AGM.

## **Number of Board Meetings held**

During the year ended March 31, 2021, the Board met 8 times.

## **Internal Financial Controls and Risk Management**

The Company has in place adequate internal financial control with reference to financial statement.

## **Nomination & Remuneration Policy**

The Nomination and Remuneration Committee comprises of Mr. Kanu Doshi, Mr. Sunil Phatarphekar and Ms. Kamala Kantharaj. The Nomination and Remuneration Policy duly approved by the Board of Directors of the Company and is annexed to this Report.

## **Auditors**

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

## **Prevention of Sexual harassment of Women at Workplace**

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

## **Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/ Outgo**

### **A. CONSERVATION OF ENERGY**

- i) the steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- ii) the steps taken by the Company for utilizing alternate source of energy - though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.
- iii) the capital investment on energy conservation equipment; Nil

### **B. TECHNOLOGY ABSORPTION**

- (i) the efforts made towards technology absorption - The minimum technology required for the business has been absorbed.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;

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

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

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earnings and outgo during the year under review were ₹ 200.57 million (previous year ₹ 253.54 million) and ₹ 3.00 million (previous year ₹0.89 million) respectively.

#### **Other Disclosures**

No disclosure is required in respect of the details relating to the deposits covered under Chapter V of the Companies Act, 2013, issue of Equity Shares with differential rights as to dividend, voting or otherwise, sweat equity shares, as there were no transactions on these matters during the year ended March 31, 2021. There were no significant or material order passed by any regulator or court or tribunal which would impact the status of the Company as a going concern and the operations in future. No material changes have occurred between the end of financial year i.e. March 31, 2021 and the date of the report affecting the financial position of your Company. The Company has complied with the Secretarial Standards issued by Institute of Company Secretaries of India.

#### **Extract of the Annual Return**

In accordance with the provisions of Section 92 of the Companies Act, 2013 and the Rules framed thereunder, the extract of the Annual Return in the prescribed Form MGT - 9 is placed at the Company's website at [www.edelweissalternative.com](http://www.edelweissalternative.com).

#### **Risk Management**

The Board of Directors of the Company has framed and implemented a Risk Management Policy.

#### **Directors' Responsibility Statement**

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

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit of the Company for the financial year ended on that date;

- (iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis; and
- (v) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Acknowledgments**

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

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

**Suresh Soni**  
Managing Director & CEO  
DIN: 02265993

**Hemant Daga**  
Executive Director  
DIN: 07783248

**Date: May 20, 2021**

**Annexure I**

**Form AOC-2**

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

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

(Currency: Indian rupees in millions)

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
-	-	-	-	-	-	-	-	-

**II. Details of material contracts or arrangement or transactions at arm's length basis:**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (Rs. in million)	Date of approval by the Board	Amount paid as advances, if any
1.	Edelweiss Alternative Asset Advisors Pte Limited (Fellow subsidiary)	Fee income earned from	1 Year	197.51	-	Nil

2	Edelweiss Rural & Corporate Services Limited (Fellow subsidiary)	Fee income earned from	1 Year	15.7	-	Nil
3	ECL Finance Limited (Fellow subsidiary)	Fee income earned from	1 Year	127.87	-	Nil
4	Edelcap Securities Ltd (Fellow subsidiary)	Fee income earned from	1 Year	1.69	-	Nil
5	ECap Equities Limited (Fellow subsidiary)	Fee income earned from	1 Year	8.17	-	Nil
6	Edelweiss Finvest Private Limited (Fellow subsidiary)	Fee income earned from	1 Year	31.82	-	Nil
7	Edelweiss Value Growth Fund (Fellow subsidiary)	Fee income earned from	1 Year	2.20	-	Nil
8	Edelweiss Private Tech Equity Fund (Fellow subsidiary)	Fee income earned from	1 Year	0.64	-	Nil

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

**Suresh Soni**  
Managing Director & CEO  
DIN: 02265993

**Hemant Daga**  
Executive Director  
DIN: 07783248

Form No. MGT-9

## EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

## I. REGISTRATION AND OTHER DETAILS:

I.	REGISTRATION AND OTHER DETAILS:	
i)	CIN	U67190MH2008PLC182205
ii)	Registration Date	14/05/2008
iii)	Name of the Company	Edelweiss Alternative Asset Advisors Limited
iv)	Category / Sub-Category of the Company	Public Company/Limited by Shares
v)	Address of the Registered office and contact details	Edelweiss House, Off CST Road, Kalina, Mumbai-400098 Email - <a href="mailto:pdcompliance@edelweissfin.com">pdcompliance@edelweissfin.com</a> Tel No - +91 22 4009 4400 Fax No. - +91 22 4086 3759
vi)	Whether listed company	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-101,1 <sup>st</sup> Floor, 247 Park , Lal Bahadur Shastri Marg, Vikhroli West, Mumbai - 400083 Tel No.: +91 22 49186270 Fax No.: +91 22 49186060

<b>II.</b>	<b>PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b> All the business activities contributing 10% or more of the total turnover of the company	As per Attachment - A
<b>III.</b>	<b>PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>	As per Attachment - B
<b>IV.</b>	<b>SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)</b>	
viii)	Category-wise Share Holding	As per Attachment - C
ix)	Shareholding of Promoters	As per Attachment - D
iii)	Change in Promoters' Shareholding	As per Attachment - E
iv)	Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)	As per Attachment - F
v)	Shareholding of Directors and Key Managerial Personnel	As per Attachment - G
<b>V.</b>	<b>INDEBTEDNESS</b>	
	Indebtedness of the Company including interest outstanding/accrued but not due for payment	As per Attachment - H
<b>VI.</b>	<b>Remuneration of Directors and Key Managerial Personnel</b>	
A.	Remuneration to Managing Director, Whole-time Directors and/or Manager	As per Attachment - I
B.	Remuneration to other directors	As per Attachment - J
C.	Remuneration to Key Managerial Personnel other than MD/Manager/WTD	As per Attachment - K
<b>VII.</b>	<b>PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>	As per Attachment - L

**Attachment - A**

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

<b>Sl. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/ service#</b>	<b>% to total turnover of the Company\$</b>
1.	Advisory Services and Fund Management Activities	663	95%

# As per National Industrial Classification - Ministry of Statistics and Programme Implementation

\$ On the basis of Gross Income

**Attachment - B**

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

<b>Sr. No</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1.	Edelweiss Securities And Investments Private Limited  Edelweiss House, Off CST Road, Kalina, Mumbai-400098	U65990MH2009PTC344641	Holding	99%	Section 2(46)
2.	Edelweiss Financial Services Limited (Ultimate Holding Company)  Edelweiss House, Off CST Road, Kalina, Mumbai-400098	L99999MH1995PLC094641	Holding	99%	Section 2(46)

Attachment - C

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year as on April 1, 2020				No. of Shares held at the end of the year as on March 31, 2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	22,56,000	-	22,56,000	95	1,22,56,000	-	1,22,56,000	99	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	22,56,000	-	22,56,000	95	1,22,56,000	-	1,22,56,000	99	-
(2) <b>Foreign</b>	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	22,56,000	-	22,56,000	95	1,22,56,000	-	1,22,56,000	99	-
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
<b>1. Institutions</b>	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corporate	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	1,18,737	1,18,737	1	-	1,18,737	1,18,737	1	-

b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	1,18,737	1,18,737	1	-	1,18,737	1,18,737	1	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>22,55,994</b>	<b>1,18,743</b>	<b>23,74,737*</b>	<b>100</b>	<b>1,22,56,000*</b>	<b>1,18,743</b>	<b>123,74,737*</b>	<b>100</b>	<b>-</b>

*\*Including 6 shares held by 6 nominees of Edelweiss Securities Limited.*

**Attachment - D**

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year as on April 1, 2020			Share holding at the end of the year as on March 31, 2021			% change In share holding during the year
		No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of Total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Edelweiss Financial Services Limited (ESFL)*	22,56,000	95	-	0	0	-	-
2.	Edelweiss Securities And Investments Private Limited	-	-	-	11211116	90.60	-	-
3.	Edelweiss Securities Limited (ESL)	-	-	-	1044884	8.44	-	-
<b>Total</b>		<b>22,56,000</b>	<b>95</b>	<b>-</b>	<b>12256000</b>	<b>99.04</b>	<b>-</b>	<b>-</b>

\* Including 6 shares held by 6 nominees of ESL

**Attachment - E**

**(iii) Change in Promoters' Shareholding:**

Particulars	Shareholding at the beginning of the year as on April 1, 2020		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>	<b>22,56,000</b>	<b>95</b>	<b>12256000</b>	<b>99.04</b>
Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):	1,00,00,000 equity shares were allotted under rights issue to one of the Promoter entities on March 24, 2021.			
<b>At the End of the year (March 31, 2021)</b>	<b>12256000</b>	<b>99.04</b>	<b>12256000</b>	<b>99.04</b>

**Attachment - F**

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No	Name	Shareholding at the beginning of the year as on April 1, 2020		Increase / Decrease in shareholding during the year			Date of change	Cumulative shareholding during the financial year April 1, 2020 to March 31, 2021	
		No of shares	% of total shares of the Company	No of shares	% of total shares of the Company	Reason		No of shares	% of total shares of the Company
1.	Gamla Livforsakringsaktiebolaget SEB Trygg Liv (publ)	1,18,737	5	-	-	-	-	1,18,737	1

**Attachment - G**

**(v) Shareholding of Directors and Key Managerial Personnel: NIL**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer /bonus/ sweat equity etc):				
	At the End of the year	Nil	Nil	Nil	Nil

Attachment - H

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment: (₹ in million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits from group co	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	-	-	-	-
i) Principal Amount	-	1121117662	0	1121117662
ii) Interest due but not paid	-	4470137	0	4470137
iii) Interest accrued but not due	-	0	0	-
<b>Total (i+ii+iii)</b>	-	<b>1125587799</b>	<b>0</b>	<b>1125587799</b>
<b>Change in Indebtedness during the financial year</b>	-	<b>0</b>	<b>0</b>	
Addition during the year	-	2787077740	<b>1012565321</b>	3799643061
Reduction	-	3906961386	<b>1012565321</b>	4919526707
<b>Net Change</b>	-			
<b>Indebtedness at the end of the financial year</b>	-			
i) Principal Amount	-	1,193,467.0	0	1193467
ii) Interest due but not paid		4,510,686.0	0	4510686
iii) Interest accrued but not due				0
<b>Total (i+ii+iii)</b>	-	<b>5,704,153.0</b>	-	<b>5,704,153.0</b>

**Attachment - I**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. no.	Particulars of Remuneration	Suresh Soni	Hemant Daga		Total Amount
		Managing Director	Whole time Director	Manager	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	1,76,65,348	13,23,816		1,89,89,164
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	8,34,367	0		8,34,367
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				0
2.	Stock Option				0
3.	Sweat Equity				0
4.	Commission				
	- as % of profit				
	- others, specify...				
5.	Others, please specify				
	Total (A)	1,84,99,715	13,23,816	0	1,98,23,531
	Ceiling as per the Act	As per schedule V of the Companies Act, 2013	As per schedule V of the Companies Act, 2013		

**Attachment - I**

**B. Remuneration to other Directors:**

Particulars of Remuneration	1	2
1. Independent Directors	Sunil Phatarphekar	Kanu Doshi

Fees for attending board/ committee of meetings	2,00,000	2,00,000
Commission	-	-
Others	-	-
<b>Total (1)</b>	<b>2,00,000</b>	<b>2,00,000</b>
<b>2. Other Non- Executive Directors</b>		
Fees for attending board/committee of meetings	-	-
Commission	-	-
Others	-	-
<b>Total (2)</b>	<b>-</b>	<b>-</b>
<b>Total B (1+2)</b>	<b>2,00,000</b>	<b>2,00,000</b>
<b>Total Managerial Remuneration (A+B)</b>	<b>20,223,531.0</b>	
<b>Overall Ceiling as per the Act</b>	As per schedule V of the Companies Act, 2013	As per schedule V of the Companies Act, 2013

**Attachment - K**

**A. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sl. No.	Particulars of Remuneration	1	2	3
		Chief Financial Officer (Hemal Mehta)	Company Secretary (Deepak Mukhija)	Total
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	95,11,334	50,99,984	1,46,11,318
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	39,600	32,400	72,000
	(c) -Profits in lieu of salary under section 17(3) Income-tax Act, 1961			0
2	Stock Option (perquisite value)			0
3	Sweat Equity			0
4	Commission - as % of profit - others			
5	Others: Bonus			
	<b>Total</b>	95,50,934	51,32,384	1,46,83,318

**Attachment - L**

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			None		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					

Penalty	<b>None</b>
Punishment	
Compounding	
<b>C. OTHER OFFICERS IN DEFAULT</b>	
Penalty	<b>None</b>
Punishment	
Compounding	

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

**Suresh Soni**  
Managing Director & CEO  
DIN: 02265993

**Hemant Daga**  
Director  
DIN: 07783248

**Date: May 20, 2021**

**Remuneration Policy**

**Edelweiss Alternative Asset Advisors Limited**

**Objective**

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

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

The primary objective of the Policy is to ensure that:

- i. the level and composition of remuneration is reasonable and sufficient to attract and retain talent required to run the Company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to the Directors, KMPs and senior management comprises a balance fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

**Remuneration of the Independent Directors & Non- executive Directors**

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

### **Remuneration of the Managing Director and Executive Directors**

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

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

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

### **Performance Management Process**

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

### **Edelweiss Code of Conduct and the Guiding Principles**

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

### **Policy Review**

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

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **Edelweiss Alternative Asset Advisors Limited**

### **Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of **Edelweiss Alternative Asset Advisors Limited** ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Other Information**

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

## **Responsibilities of Management for the Ind AS Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, 2016 ("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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 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.

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

**Haridas Bhat**  
**Partner**  
**Membership No.:039070**

UDIN: 21039070AAAAIT7826

Place: Mumbai  
Date: May 20, 2021

## **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, 2021, we report that:**

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets 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 to us, the Company does not own immovable properties, accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) Based on our examination of documents and records, the Company does not own any inventory during the year. Therefore, the provisions of clause 3(ii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans to directors including entities in which they are interested in respect of which the provisions of section 185 of the Companies Act 2013 are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investment made and loan given.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any activities conducted and services rendered by 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, services tax, sales tax, value added tax, goods and service tax, cess and other material statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, Company did not have any dues on account of employees' state insurance, duty of excise and duty of custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, services tax, sales tax, value added tax, goods and service tax, cess and other material 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, service tax, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of borrowing due to debenture holders. The Company did not have any outstanding loan or borrowing dues in respect of a financial institution, or government or banks.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations provided by the management, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

**Haridas Bhat**  
**Partner**  
**Membership No.:039070**

UDIN: 21039070AAAAIT7826  
Place: Mumbai  
Date: May 20, 2021

## **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 Advisors Limited** (“the Company”) as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these 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 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 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 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 Ind AS financial statements.

### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these 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 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 Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Haridas Bhat**  
**Partner**  
**Membership No.:039070**

UDIN: 21039070AAAAIT7826

Place: Mumbai  
Date: May 20, 2021

## Balance Sheet

(Currency : Indian rupees)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7	15,10,34,340	90,83,134
Trade receivables	8	6,07,49,977	28,11,86,096
Loans	9	25,27,22,506	9,13,879
Investments	10	19,59,03,468	2,35,15,151
Other financial assets	11	3,85,71,033	4,62,49,819
		<u>69,89,81,324</u>	<u>36,09,48,079</u>
<b>Non-financial assets</b>			
Current tax assets (net)	12	11,27,98,133	12,82,17,923
Deferred tax assets (net)	13	93,50,193	56,18,300
Property, plant and equipment	14	76,79,972	40,43,587
Intangible assets under development		13,20,000	-
Other intangible assets	14	1,13,89,597	2,76,02,022
Other non- financial assets	15	42,47,26,137	43,86,41,823
		<u>56,72,64,032</u>	<u>60,41,23,655</u>
<b>TOTAL ASSETS</b>		<u><u>1,26,62,45,356</u></u>	<u><u>96,50,71,734</u></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables			
(i) Total outstanding due of micro enterprises and small enterprises	41	60,774	-
(ii) Total outstanding due of creditors other than micro enterprises and small enterprises		2,88,96,643	6,35,74,954
Borrowings (other than debt securities)	16	57,04,153	1,12,55,87,799
Other financial liabilities	17	14,79,26,278	2,45,95,858
		<u>18,25,87,848</u>	<u>1,21,37,58,611</u>
<b>Non-financial liabilities</b>			
Provisions	18	1,61,04,873	1,11,41,000
Other non-financial liabilities	19	5,59,91,116	8,75,98,480
		<u>7,20,95,989</u>	<u>9,87,39,480</u>
<b>Equity</b>			
Equity share capital	20.1	12,37,47,370	2,37,47,370
Instruments entirely equity in nature	20.2	1,10,00,00,000	-
Other equity		(21,21,85,851)	(37,11,73,727)
		<u>1,01,15,61,519</u>	<u>(34,74,26,357)</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><u>1,26,62,45,356</u></u>	<u><u>96,50,71,734</u></u>

## Significant accounting policies and notes forming part of the financial statements 1-46

This is the balance sheet referred to in our report of even date.

## For GMJ &amp; Co.

Chartered Accountants  
Firm's Registration No.: 103429W

## For and on behalf of the Board of Directors

Haridas Bhat  
Partner  
Membership No: 039070Hemant Daga  
Executive Director  
DIN.: 07783248Suresh Chandra Soni  
Managing Director & CEO  
DIN.: 02265993Hemal Mehta  
Chief Financial OfficerDeepak Mukhija  
Company SecretaryMumbai  
20 May 2021Mumbai  
20 May 2021

## Edelweiss Alternative Asset Advisors Limited

### Statement of Profit and Loss

(Currency : Indian rupees)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Revenue from operations</b>			
Interest income	21	1,55,44,682	1,84,675
Revenue from contract with customers	22	1,41,84,37,074	1,30,77,25,850
Net gain on fair value changes	23	46,39,632	20,41,399
<b>Other income</b>	24	59,16,334	6,45,65,932
<b>Total Revenue</b>		<b>1,44,45,37,722</b>	<b>1,37,45,17,856</b>
<b>Expenses</b>			
Finance costs	25	11,34,80,635	12,55,70,912
Impairment on financial instruments	26	45,022	-
Employee benefits expense	27	67,19,86,255	55,71,93,741
Depreciation, amortisation and impairment	14	2,51,21,076	3,16,37,824
Other expenses	28	48,53,88,751	48,26,70,639
<b>Total expenses</b>		<b>1,29,60,21,739</b>	<b>1,19,70,73,116</b>
<b>Profit before tax</b>		<b>14,85,15,983</b>	<b>17,74,44,740</b>
<b>Tax expenses</b>	29		
Current tax		-	(1,88,111)
Deferred tax		(54,28,393)	(3,53,787)
<b>Profit for the year</b>		<b>15,39,44,376</b>	<b>17,79,86,638</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gain on defined benefit plans		67,40,000	7,79,000
Tax effect on measurement gain on defined benefit plans (OCI)		16,96,500	-
<b>Other Comprehensive Income</b>		<b>50,43,500</b>	<b>7,79,000</b>
<b>Total Comprehensive Income</b>		<b>15,89,87,876</b>	<b>17,87,65,638</b>
<b>Earnings per equity share (face value Rs.10 each):</b>			
<b>Basic</b>	30	<b>48.16</b>	74.95
<b>Diluted</b>	30	<b>48.33</b>	74.95

Significant accounting policies and notes forming part of the financial statements 1-46

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

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

**Haridas Bhat**  
Partner  
Membership No: 039070

**Hemant Daga**  
Executive Director  
DIN.: 07783248

**Suresh Chandra Soni**  
Managing Director & CEO  
DIN.: 02265993

**Hemal Mehta**  
Chief Financial Officer

**Deepak Mukhija**  
Company Secretary

Mumbai  
20 May 2021

Mumbai  
20 May 2021

Edelweiss Alternative Asset Advisors Limited

**Cash Flow Statement**

(Currency : Indian rupees)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
<b>Profit before taxation</b>	<b>14,85,15,983</b>	<b>17,74,44,740</b>
Adjustments for		
Depreciation and ammortisation expenses	2,51,21,076	3,16,37,824
Impairment of financial instruments	45,022	-
Provision for compensated absences	(12,92,127)	1,39,000
Profit on sale of fixed assets	(4,966)	(17,40,439)
Finance cost on lease liability	2,25,086	-
Net gain on fair value changes	(46,39,632)	(20,41,399)
Interest income	(1,51,27,370)	-
Interest expense	11,31,71,045	12,54,94,350
<b>Operating cash flow before working capital changes</b>	<b>26,60,14,117</b>	<b>33,09,34,076</b>
Add / (less): Adjustments for working capital changes		
Decrease in trade receivables	22,04,36,119	46,58,43,253
Decrease/(increase) in loans and advances	(25,16,92,978)	29,86,701
Decrease in other financial assets	76,78,786	54,90,215
(Increase)/decrease in other non financial assets	1,39,15,684	(18,48,62,455)
(Decrease)/increase in trade payables	(3,46,17,537)	26,85,335
Increase in provisions	1,29,96,000	24,89,000
Increase/(decrease) in other financial liabilities	11,95,69,635	(18,78,20,365)
Decrease in other non financial liabilities	(3,16,07,364)	(57,63,949)
<b>Cash generated from operations</b>	<b>5,66,78,345</b>	<b>10,10,47,735</b>
Income tax paid/refund	1,54,19,790	(7,13,40,160)
<b>Net cash generated from operating activity - A</b>	<b>33,81,12,252</b>	<b>36,06,41,651</b>
<b>B. Cash flow from investing activities</b>		
Amount received on capital redemption & Sale of investments	65,28,39,431	13,90,957
Purchase of Investment	(82,47,93,219)	-
Purchase of Property, plant & equipment and intangible assets	(88,72,485)	(1,73,91,088)
Capital expenditure towards development of intangible assets	(13,20,000)	-
Sale of Property, plant & equipment and intangible assets	2,07,439	37,21,789
Income received on investments	42,05,104	34,55,591
<b>Net cash (used in) investing activities - B</b>	<b>(17,77,33,730)</b>	<b>(88,22,751)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of unsecured short term borrowings (refer note 2 below)	(1,11,99,24,195)	(21,87,30,189)
Proceeds from inter corporate deposit	95,43,00,000	50,00,00,000
Repayment of inter corporate deposit	(95,43,00,000)	(50,00,00,000)
Proceeds from Issue of compulsory convertible debentures	1,10,00,00,000	-
Proceeds from fresh issue of equity shares	10,00,00,000	-
Interest paid (including interest paid on inter corporate deposits)	(11,25,88,030)	(13,08,85,382)
Principal repayment of leases (Ind AS 116)	(6,56,704)	-
Finance cost paid (IND AS 116)	(2,25,086)	-
Interest received	1,49,66,699	-
<b>Net cash (used in) financing activities - C</b>	<b>(1,84,27,316)</b>	<b>(34,96,15,571)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>14,19,51,206</b>	<b>22,03,329</b>

**Note :**

1.Cash and cash equivalents as at the beginning of the year 90,83,134  
Cash and cash equivalents as at the end of the year 15,10,34,340

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

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  
20 May 2021

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

**Hemant Daga**  
Executive Director  
DIN.: 07783248

**Suresh Chandra Soni**  
Managing Director & CEO  
DIN.: 02265993

**Hemal Mehta**  
Chief Financial Officer  
Mumbai  
20 May 2021

**Deepak Mukhija**  
Company Secretary

## Edelweiss Alternative Asset Advisors Limited

(Currency : Indian rupees)

### Statement of Changes in Equity

#### (A) Equity share capital

Balance at the beginning of the reporting period (1 April 2019)	Changes in equity share capital (refer note 20.1)	Balance at the end of the reporting period (31 March 2020)	Changes in equity share capital (refer note 20.1)	Balance at the end of the reporting period (31 March 2021)
2,37,47,370	-	2,37,47,370	10,00,00,000	12,37,47,370

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

Balance at the beginning of the reporting period	Changes during the year	Balance at the end of the reporting period (31 March 2020)	Changes during the year (refer note 20.2)	Balance at the end of the reporting period (31 March 2021)
-	-	-	1,10,00,00,000	1,10,00,00,000

#### (C) Other Equity

	Reserves and Surplus			
	Securities premium	Share Option Reserve	Retained earnings	Total
<b>Balance at 31 March 2019 (Ind AS)</b>	<b>11,91,11,620</b>	<b>3,08,95,039</b>	<b>(69,99,46,024)</b>	<b>(54,99,39,365)</b>
Profit for the year	-	-	17,79,86,638	17,79,86,638
Remeasurement gain / loss on defined benefit plans (OCI)	-	-	7,79,000	7,79,000
<b>Balance at 31 March 2020 (Ind AS)</b>	<b>11,91,11,620</b>	<b>3,08,95,039</b>	<b>(52,11,80,386)</b>	<b>(37,11,73,727)</b>
Profit for the year	-	-	15,39,44,376	15,39,44,376
Other comprehensive income for the year	-	-	50,43,500	50,43,500
<b>Balance at 31 March 2021 (Ind AS)</b>	<b>11,91,11,620</b>	<b>3,08,95,039</b>	<b>(36,21,92,510)</b>	<b>(21,21,85,851)</b>

#### (i) Securities premium

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

#### (ii) Share Option Reserve

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

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

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

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

**Haridas Bhat**  
Partner  
Membership No: 039070

**Hemant Daga**  
Executive Director  
DIN.: 07783248

**Suresh Chandra Soni**  
Managing Director & CEO  
DIN.: 02265993

Mumbai  
20 May 2021

**Hemal Mehta**  
Chief Financial Officer  
Mumbai  
20 May 2021

**Deepak Mukhija**  
Company Secretary

# Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees)

## 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

These financial statements are Special Purpose Indian Accounting Standards (Ind-AS) Financial Statement prepared for the purpose of preparation of consolidated financial statements for the year ended March 31, 2021 for Edelweiss Financial Service Limited (Holding Company) for its reporting of Consolidated audited financial results under Ind-AS Division III of Schedule III of the Companies Act, 2013 ("the Act"). The Company has prepared a separate set of financial statements for the year ended March 31, 2020 which is prepared in accordance with Division II of Schedule III and Ind-AS prescribed under Section 133 of the Act read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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)

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

In preparing the accompanying financial results, the Company's management has assessed the impact of the pandemic on its operations and its assets including the value of its investments, asset management rights and trade receivables as at March 31, 2021. Since the revenue of the Company is ultimately dependent on the value of the assets it manages, changes in market conditions and the trend of flows into alternate funds may have an impact on the operations of the Company. Basis the assessment, the management does not, at this juncture, believe that the impact on the value of the Company's assets or its operations is likely to be material.

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

### 3. Presentation of financial statements

The Company presents its balance sheet in order of liquidity in compliance with the Division III of the Schedule III to the Companies Act, 2013. An analysis regarding recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 33.

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 recognized amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the company and or its counterparties

### 4. Significant accounting policies

#### 4.1 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

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

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.

### 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.

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

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

### Investment in equity instruments

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

## 4.2.2 Financial liabilities

All financial liabilities are measured at amortised cost

### 4.2.2.1 Debt securities and other borrowed funds

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

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

Financial assets and financial liabilities in this category are those that are not held for trading and are mandatorily required to be measured at fair value under Ind AS 109.

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

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

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

### 4.2.3 Financial liabilities and equity instruments

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

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

- 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)

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.

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

### 4.6 Write off

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

### 4.7 Determination of fair value

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

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

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

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

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

### 4.8 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.

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

- The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).
- 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 35.4, 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

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero

### Short term lease

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

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

### 4.10 Earnings per share

Basic earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding for the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year. Diluted earnings per share is computed by dividing the net profit after tax attributable to the equity shareholders for the year by weighted average number of equity shares considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all potential equity shares.

### 4.11 Foreign currency transactions

The Financial Statements are presented in Indian Rupees which is also functional currency of the company. Transactions in currencies other than Indian Rupees (i.e. foreign currencies) are 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)

## 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)

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)

## 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.

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

### 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 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.

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

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 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

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

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.

#### 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 40.

# Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees)

## 5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Fair value of financial instruments

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

- Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Probabilities of defaults (PDs) the calculation of which includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss model basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs

# Edelweiss Alternative Asset Advisors Limited

## Notes to the financial statements (continued)

Currency : (Indian Rupees)

- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure at defaults and loss given defaults (LGDs)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary

- Effective interest rate method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

## 6 Standards issued but not yet effective

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

## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2021	As at March 31, 2020
<b>7 Cash and cash equivalents</b>		
Cash in hand	-	360
<b>Balances with banks</b>		
- in current accounts	15,10,34,340	90,82,774
	<u>15,10,34,340</u>	<u>90,83,134</u>
<b>8 Trade receivables</b>		
<b>Unsecured</b>		
Receivables considered good	6,07,49,977	28,11,86,096
Less : Allowance for expected credit losses	-	-
	<u>6,07,49,977</u>	<u>28,11,86,096</u>

#### Ageing of Trade receivables

Trade receivables days past due	0-90days	91-180 days	More than 180 days	Total
<b>As at March 31, 2021</b>				
Estimated total gross carrying amount	6,03,02,731	1,13,153	3,34,093	6,07,49,977
ECL provision	-	-	-	-
Net carrying amount	6,03,02,731	1,13,153	3,34,093	6,07,49,977
<b>As at March 31, 2020</b>				
Estimated total gross carrying amount	24,89,23,861	1,24,38,235	1,98,24,000	28,11,86,096
ECL provision	-	-	-	-
Net carrying amount	24,89,23,861	1,24,38,235	1,98,24,000	28,11,86,096

## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2021	As at March 31, 2020
<b>9 Loans</b>		
(Unsecured, At ammortised cost)		
Loan to holding company (Variable interest rate loan, weighted average borrowing cost plus 1 percent (previous year:N.A), repayable on demand)	25,01,15,649	-
Loan to employees	26,06,857	9,13,879
	<u>25,27,22,506</u>	<u>9,13,879</u>
<b>10 Investments</b>		
<b><u>Quoted</u></b>		
Investments in units of Mutual Fund	17,51,86,034	-
Investments in equity instruments	1,30,28,238	-
<b><u>Unquoted</u></b>		
Investments in units of Alternative Investment Funds (AIF)	76,89,196	2,35,15,151
	<u>19,59,03,468</u>	<u>2,35,15,151</u>
The above investments are held in India and are designated as Investments at Fair Value Through Profit or loss.		
<b>11 Other financial assets</b>		
Advances recoverable in cash or in kind or for value to be received	3,69,41,281	4,62,49,819
Rental deposits	16,29,752	-
	<u>3,85,71,033</u>	<u>4,62,49,819</u>
<b>12 Current tax assets (net)</b>		
Advance income taxes (refer note 29)	11,27,98,133	12,82,17,923
	<u>11,27,98,133</u>	<u>12,82,17,923</u>
<b>13 Deferred tax assets (net)</b>		
<b><u>Deferred tax assets (refer note 29)</u></b>		
<b><u>Employee benefit obligations</u></b>		
Disallowances under section 43B of the Income Tax Act, 1961 & provision for leave accumulation	34,11,300	4,65,400
<b><u>Property, plant and equipment and intangibles</u></b>		
Difference between book and tax depreciation	70,05,100	51,52,900
<b><u>Loans</u></b>		
Provision for expected credit losses	11,300	-
<b><u>Others</u></b>		
ROU Assets less lease liabilities (net)	23,541	-
<b><u>Deferred tax liabilities</u></b>		
<b><u>Investments and other financial instruments</u></b>		
Fair valuation of investments	11,01,048	-
	<u>93,50,193</u>	<u>56,18,300</u>

**Edelweiss Alternative Asset Advisors Limited**

Notes to the financial statements (Continued)

(Currency: Indian rupees)

14 Property, plant and equipment and other intangibles

Description of assets	Gross block				Depreciation and amortization				Net block	
	As at 1 April 2020	Additions during the year	Deductions during the year	As at 31 March 2021	As at 1 April 2020	Additions during the year	Deductions during the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
<b>(A) Property, plant and equipment</b>										
Furniture & Fixtures	1,09,000	1,44,334	-	2,53,334	6,161	29,589	-	35,750	2,17,584	1,02,839
Office equipment	25,74,692	1,18,049	-	26,92,741	18,91,964	3,50,785	-	22,42,749	4,49,992	6,82,728
Motor vehicle	40,57,139	-	-	40,57,139	26,94,475	4,47,202	-	31,41,677	9,15,462	13,62,664
Computers	75,63,823	29,14,463	10,34,841	94,43,445	56,68,467	16,35,203	8,32,369	64,71,301	29,72,144	18,95,356
Right to use asset	-	38,75,023	-	38,75,023	-	7,50,233	-	7,50,233	31,24,790	-
<b>Total : A</b>	<b>1,43,04,654</b>	<b>70,51,869</b>	<b>10,34,841</b>	<b>2,03,21,682</b>	<b>1,02,61,067</b>	<b>32,13,012.00</b>	<b>8,32,369</b>	<b>1,26,41,710</b>	<b>76,79,972</b>	<b>40,43,587</b>
<b>(B) Intangible assets</b>										
Computer software	1,87,83,045	56,95,639	-	2,44,78,684	56,26,228	74,62,859	-	1,30,89,087	1,13,89,597	1,31,56,817
Investment Management Rights	4,75,00,000	-	-	4,75,00,000	3,30,54,795	1,44,45,205	-	4,75,00,000	-	1,44,45,205
<b>Total : B</b>	<b>6,62,83,045</b>	<b>56,95,639</b>	<b>-</b>	<b>7,19,78,684</b>	<b>3,86,81,023</b>	<b>2,19,08,064</b>	<b>-</b>	<b>6,05,89,087</b>	<b>1,13,89,597</b>	<b>2,76,02,022</b>

Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees)

14 Property, plant and equipment and other intangibles

Description of assets	Gross block				Depreciation and ammortization				Net block	
	As at 1 April 2019	Additions during the year	Deductions during the year	As at 31 March 2020	As at 1 April 2019	Additions during the year	Deductions during the year	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019
<b>(A) Property, plant and equipment</b>										
Furniture & Fixtures	-	1,09,000	-	1,09,000	-	6,161	-	6,161	1,02,839	-
Office equipment	21,33,623	5,00,792	59,723	25,74,692	14,27,721	5,19,576	55,333	18,91,964	6,82,728	7,05,902
Motor vehicle	81,84,652	-	41,27,513	40,57,139	40,97,590	11,28,450	25,31,565	26,94,475	13,62,664	40,87,062
Computers	85,14,201	5,75,526	15,25,904	75,63,823	42,79,806	25,33,508	11,44,847	56,68,467	18,95,356	42,34,395
<b>Total : A</b>	<b>1,88,32,476</b>	<b>11,85,318</b>	<b>57,13,140</b>	<b>1,43,04,654</b>	<b>98,05,117</b>	<b>41,87,695</b>	<b>37,31,745</b>	<b>1,02,61,067</b>	<b>40,43,587</b>	<b>90,27,359</b>
<b>(B) Intangible assets</b>										
Computer software	25,77,230	1,62,05,815	-	1,87,83,045	19,26,099	37,00,129	-	56,26,228	1,31,56,817	6,51,131
Investment Management Rights	4,75,00,000	-	-	4,75,00,000	93,04,795	2,37,50,000	-	3,30,54,795	1,44,45,205	3,81,95,204
<b>Total : B</b>	<b>5,00,77,230</b>	<b>1,62,05,815</b>	<b>-</b>	<b>6,62,83,045</b>	<b>1,12,30,894</b>	<b>2,74,50,129</b>	<b>-</b>	<b>3,86,81,023</b>	<b>2,76,02,022</b>	<b>3,88,46,335</b>

## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2021	As at March 31, 2020
<b>15 Other non-financial assets</b>		
Prepaid expenses	41,15,05,362	43,01,83,278
Vendor Advances	1,16,13,081	51,21,203
Advances to employees	16,07,694	32,67,938
Advances recoverable in cash or in kind or for value to be received	-	69,404
	<b>42,47,26,137</b>	<b>43,86,41,823</b>
<b>16 Borrowings (other than debt securities)</b>		
<b><u>Unsecured at amortised cost, within India</u></b>		
Loan from fellow subsidiary (Variable interest rate loan, at prevailing market rate ranging from 11.40% to 12.34 % (previous year: 11.60% to 11.75 %) repayable on demand)	57,04,153	1,12,55,87,799
	<b>57,04,153</b>	<b>1,12,55,87,799</b>
<b>17 Other financial liabilities</b>		
Accrued salaries and benefits	12,21,11,251	4,14,015
Lease liability	32,18,318	-
Interest accrued & not due on compulsory convertible debentures	5,01,781	-
Other liability	2,20,94,928	2,41,81,843
	<b>14,79,26,278</b>	<b>2,45,95,858</b>
<b>18 Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity	1,06,76,000	44,20,000
Compensated leave absences	54,28,873	67,21,000
	<b>1,61,04,873</b>	<b>1,11,41,000</b>
<b>19 Other non-financial liabilities</b>		
Income received in advance	1,19,05,736	1,37,00,591
Withholding taxes, Goods & service tax and other taxes payable	4,14,64,092	5,99,47,913
Others	26,21,288	1,39,49,976
	<b>5,59,91,116</b>	<b>8,75,98,480</b>

## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

	As at March 31, 2021	As at March 31, 2020
<b>20.1 Equity share capital</b>		
<b>a. Authorised :</b>		
2,30,00,000 (Previous year: 30,00,000) equity shares of Rs. 10/- each	<u>23,00,00,000</u>	3,00,00,000
<b>b. Issued, subscribed and paid up:</b>		
1,23,74,737 (Previous year: 23,74,737) equity shares of Rs. 10/- each, fully paid-up	<u>12,37,47,370</u>	2,37,47,370
	<u>12,37,47,370</u>	<u>2,37,47,370</u>

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

<i>Equity shares</i>	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Number of shares outstanding at the beginning of the year	23,74,737	2,37,47,370	23,74,737	2,37,47,370
Shares issued during the year	1,00,00,000	10,00,00,000	-	-
Number of shares at the end of the year	<u>1,23,74,737</u>	<u>12,37,47,370</u>	<u>23,74,737</u>	<u>2,37,47,370</u>

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

	As at March 31, 2021		As at March 31, 2020	
	No of shares	Percentage of share holding	No of shares	Percentage of share holding
Edelweiss Financial Services Limited and its nominees.	-	-	22,56,000	95%
Edelweiss Securities Limited and its nominees.	10,44,884	8.44%	-	-
Edelweiss Securities And Investments Private Limited	1,12,11,116	90.60%	-	-
	<u>1,22,56,000</u>	<u>99.04%</u>	<u>22,56,000</u>	<u>95%</u>

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

The Company has only one class of shares, referred to as equity shares, having a par value of 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 : Indian rupees)

#### 20.2 Instruments entirely equity in nature

	As at March 31, 2021	As at March 31, 2020
a 11,00,00,000 (31 March 2020: NIL) compulsory convertible debentures of Rs 10 each fully paid	1,10,00,00,000	-
	<u>1,10,00,00,000</u>	<u>-</u>

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

9 % compulsory convertible debentures (CCDs)	As at March 31, 2021		As at March 31, 2020	
	No of CCDs	Amount	No of CCDs	Amount
Outstanding at the beginning of the year	-	-	-	-
Issued during the year	11,00,00,000	1,10,00,00,000	-	-
Outstanding at the end of the year	<u>11,00,00,000</u>	<u>1,10,00,00,000</u>	<u>-</u>	<u>-</u>

#### c Details of holders holding more than 5%

Edelweiss Financial Services Limited	2,50,00,000	25,00,00,000	-	-
Edelweiss Securities And Investments Private Limited	8,50,00,000	85,00,00,000	-	-
	<u>11,00,00,000</u>	<u>1,10,00,00,000</u>	<u>-</u>	<u>-</u>

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

The interest rate is 9 % per annum and CCDs will be converted into equity shares at the end of the term.

## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>21 Interest Income</b>		
<b>On Financial assets measured at amortised cost</b>		
Interest income on loan to Holding Company	1,73,699	-
Interest Income - on loan given to employees	4,17,312	1,84,675
Interest income on debt instrument (for non-finance company)	1,49,53,671	-
	<u>1,55,44,682</u>	<u>1,84,675</u>
<b>22 Revenue from contract with customers</b>		
Advisory and other fees	1,41,84,37,074	1,30,77,25,850
	<u>1,41,84,37,074</u>	<u>1,30,77,25,850</u>
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	1,41,84,37,074	1,30,77,25,850
<b>Total revenue from contract with customers</b>	<u>1,41,84,37,074</u>	<u>1,30,77,25,850</u>
<b>23 Net gain on fair value changes</b>		
Fair value gain on financial instruments at fair value through profit or loss (unrealised)	(3,05,802)	(12,03,469)
Profit on sale of investments	7,40,330	-
Income distribution from fund	42,05,104	32,44,868
	<u>46,39,632</u>	<u>20,41,399</u>
<b>24 Other income</b>		
Profit on sale of fixed assets (net)	4,966	17,40,439
Foreign exchange gain (net)	-	37,53,127
Miscellaneous income and other reimbursements	8,043	5,90,72,366
Interest on Income Tax Refund	59,03,325	-
	<u>59,16,334</u>	<u>6,45,65,932</u>

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

(Currency : Indian rupees)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>25 Finance costs</b>		
<b>On financial liabilities measured at ammortised cost</b>		
Interest on loan from fellow subsidiaries	5,43,63,258	11,46,52,807
Interest on Inter-corporate deposits	5,82,65,321	1,08,40,164
Interest on compusorily convertible debentures	5,42,466	-
Interest on Lease Liability	2,25,086	-
Other interest expense measured at ammortised cost		
Interest - others	8,349	1,379
Financial and bank charges	76,155	76,562
	<b>11,34,80,635</b>	<b>12,55,70,912</b>
<b>26 Impairment on financial Instruments</b>		
ECL provision on loans advanced to holding company	45,022	-
	<b>45,022</b>	<b>-</b>
<b>27 Employee benefit expenses</b>		
Salaries,wages and Bonus	61,47,37,851	49,86,32,963
Contribution to provident and other funds	3,05,79,538	3,04,81,195
Expense on Employee Stock Option Scheme (refer note 45)	90,66,030	1,35,87,433
Staff welfare expenses	52,30,446	54,59,934
Expense on Employee Stock Appreciation Rights	1,23,72,390	90,32,216
	<b>67,19,86,255</b>	<b>55,71,93,741</b>

**Edelweiss Alternative Asset Advisors Limited**

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

(Currency : Indian rupees)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>28 Other expenses</b>		
Advertisement and business promotion	5,20,907	22,10,026
Auditors' remuneration (refer note below)	6,50,000	4,00,000
Communication	42,68,208	41,66,654
Computer expenses	20,26,303	20,58,826
Computer software	41,16,346	30,62,549
Clearing & custodian charges	7,051	-
Donation	60,000	-
Electricity charges	60,000	-
Foreign exchange loss	26,22,244	-
Insurance	2,76,356	40,114
Legal and professional fees	10,89,33,116	6,45,42,002
Membership and subscription	49,18,116	55,37,246
Office expenses	2,63,78,840	5,79,61,040
Postage and courier	20,378	3,100
Printing and stationery	5,65,563	9,44,536
Rates and taxes	34,250	19,733
Rating Support Fees	9,52,381	-
Rent	5,98,67,896	5,71,76,588
Repairs and maintenance	2,24,120	2,06,528
ROC expenses	19,57,500	2,07,172
Seminar and conference	1,96,000	4,47,270
Goods & Service tax expenses	(1,37,655)	11,87,218
Directors' Sitting Fees	4,00,000	-
Stamp paper charges	96,524	77,274
Stock exchange expenses	2,51,230	6,75,140
Travelling and conveyance	1,13,16,600	3,37,88,127
Transportation Charges	6,000	4,100
Miscellaneous expenses	76,652	53,132
Site related expenses	-	40,653
Usage of Assets	7,36,333	2,63,336
Outside Services Cost	9,40,878	3,14,418
Selling and Distribution expenses	25,30,46,614	24,72,83,857
	<b>48,53,88,751</b>	<b>48,26,70,639</b>

**Note:**

**Auditors' remuneration:**

As auditor	5,00,000	4,00,000
For others	1,50,000	-
	<b>6,50,000</b>	<b>4,00,000</b>

## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 29 Deferred Tax assets

The components of income tax expense for the years ended 31 March 2021 and 2020 are:

Particulars	2020-21	2019-20
Current tax		
Adjustment in respect of current income tax of prior years	-	(1,88,111)
Mat credit entitlement	-	8,67,013
Deferred tax relating to origination and reversal of temporary differences	(54,28,393)	(12,20,800)
<b>Total tax charge</b>	<b>(54,28,393)</b>	<b>(5,41,898)</b>
Current tax	-	(1,88,111)
Deferred tax	(54,28,393)	(3,53,787)

#### 29.2 Reconciliation of total tax charge

Particulars	2020-21	2019-20
Accounting profit before tax as per financial statements	<b>14,85,15,983</b>	17,74,44,740
Tax rate (in percentage)	<b>25.17%</b>	25.17%
Income tax expense calculated based on this tax rate	<b>3,73,81,473</b>	4,46,62,841
Adjustment in respect of current income tax of prior years	-	(1,88,111)
Others	<b>(5,45,079)</b>	(9,51,889)
Impact of tax rate changes (between two accounting periods)	-	(1,40,404)
Write-down of available tax credits which are not considered recoverable (for example, Minimum Alternate Tax credit)	-	8,67,013
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised	<b>(4,22,64,787)</b>	(4,47,91,348)
<b>Tax charge for the year recorded in P&amp;L</b>	<b>(54,28,393)</b>	<b>(5,41,898)</b>

Break-up of income tax recorded in OCI	31-Mar-21	31-Mar-20
<b>Deferred tax</b>		
Employee benefit obligations	<b>16,96,500</b>	-
<b>Total</b>	<b>16,96,500</b>	-

## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 29 Deferred Tax assets (continued)

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

As at 31 March 2021		Unused tax losses			
Financial Year to which the loss relates to*	Unused business losses**		Unabsorbed depreciation**		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
A.Y 2017-2018	22,64,48,940	2024-2025	8,46,312	N.A	22,72,95,252
A.Y 2018-2019	28,36,19,437	2025-2026	39,35,606	N.A	28,75,55,043
A.Y 2019-2020	17,98,38,696	2026-2027	1,09,08,739	N.A	19,07,47,435
<b>Total</b>	<b>68,99,07,073</b>		<b>1,56,90,657</b>		<b>70,55,97,730</b>

As at 31 March 2020		Unused tax losses			
Financial Year to which the loss relates to*	Unused business losses**		Unabsorbed depreciation**		Total
	Amount	Expiry year - financial year	Amount	Expiry year - financial year	Amount
A.Y 2015-2016	-	2022-2023	17,88,286	N.A	17,88,286
A.Y 2016-2017	10,64,25,515	2023-2024	42,82,659	N.A	11,07,08,174
A.Y 2017-2018	28,12,00,570	2024-2025	39,13,368	N.A	28,51,13,938
A.Y 2018-2019	28,36,19,437	2025-2026	39,35,606	N.A	28,75,55,043
A.Y 2019-2020	19,07,47,435	2026-2027	1,09,08,739	N.A	20,16,56,174
<b>Total</b>	<b>86,19,92,957</b>		<b>2,48,28,658</b>		<b>88,68,21,615</b>

(Currency : Indian rupees)

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

	Movement for the period (2020-21)			
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Recognised in OCI	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:				
Property, Plant and Equipment including intangibles	51,52,900	18,52,200	-	70,05,100
Employee benefits obligations	4,65,400	46,42,400	(16,96,500)	34,11,300
ROU Assets less lease liabilities (net)	-	23,541	-	23,541
Fair valuation of investments	-	(11,01,048)	-	(11,01,048)
Provision for expected credit losses	-	11,300	-	11,300
<b>Total</b>	<b>56,18,300</b>	<b>54,28,393</b>	<b>(16,96,500)</b>	<b>93,50,193</b>

	Movement for the period (2019-20)			
	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	17,11,300	34,41,600	-	51,52,900
Employee benefits obligations	26,86,200	(22,20,800)	-	4,65,400
Unused tax credits (Minimum Alternate Tax credit)	8,67,013	(8,67,013)	-	-
<b>Total</b>	<b>52,64,513</b>	<b>3,53,787</b>	<b>-</b>	<b>56,18,300</b>

## 30 Earnings per share

	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Net amount attributable to the equity shareholders (as per statement of profit and loss)	15,39,44,376	17,79,86,638
Add: Interest expense on potential equity shares	5,42,466	-
b) Adjusted net profit for current year	15,44,86,842	-
c) Calculation of weighted average number of equity Shares of Rs 10 each:		
- Number of shares at the beginning of the year	23,74,737	23,74,737
- Shares issued during the year	1,00,00,000	-
Total number of equity shares outstanding at the end of the year	1,23,74,737	23,74,737
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	25,93,915	23,74,737
(d) Number of dilutive potential equity shares	6,02,740	-
Basic earnings per share (in rupees) (a/(c+d))	48.16	74.95
Diluted earnings per share (in rupees) (b/(c+d))	48.33	74.95

**31 Segment reporting.**

Company has three operating segments. Capital based business, Agency business and treasury business

Capital based business comprises of Income from income from investments.

Agency business generates Fee income.

Treasury business comprises of income earned from treasury operations and interest income on temporary investments.

Income for each segment has been specifically identified. Expenditure, assets and liabilities are either specifically identified with individual segments or have been allocated to segments on a systematic basis.

Based on such allocations, segment disclosures relating to revenue, results, assets and liabilities have been prepared.

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment.

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

<b>Segment Results</b>	<b>For the year ended 31 March 2021</b>	<b>For the year ended 31 March 2020</b>
I Segment revenue		
a) Capital based business	1,83,44,241	20,41,399
b) Agency business	1,42,47,70,720	1,37,24,76,457
c) Treasury	14,22,761	-
d) Unallocated	-	-
Total	1,44,45,37,722	1,37,45,17,856
Less : Inter segment revenue		
Total Income	1,44,45,37,722	1,37,45,17,856
II Segment results		
a) Capital based business	1,83,44,241	20,41,399
b) Agency business	12,87,94,003	17,54,03,341
c) Treasury	13,77,739	-
d) Unallocated	-	-
Total	14,85,15,983	17,74,44,740
Profit before taxation	14,85,15,983	17,74,44,740
Less : Provision for taxation	(54,28,393)	(5,41,898)
Profit after taxation	15,39,44,376	17,79,86,638
III Segment assets		
a) Capital based business	2,07,17,434	2,35,15,151
b) Agency business	81,08,76,046	94,15,56,583
c) Treasury	42,53,01,683	-
d) Unallocated	93,50,193	-
Total	1,26,62,45,356	96,50,71,734
IV Segment liabilities		
a) Capital based business	-	-
b) Agency business	25,46,83,837	1,31,24,98,091
c) Treasury	-	-
d) Unallocated	-	-
Total	25,46,83,837	1,31,24,98,091
V Capital expenditure (Including capital work-in-progress)		
a) Capital based business	-	-
b) Agency business	1,01,92,485	1,73,91,133
c) Treasury	-	-
d) Unallocated	-	-
Total	1,01,92,485	1,73,91,133
VI Depreciation and amortisation		
a) Capital based business	-	-
b) Agency business	2,51,21,076	3,16,37,824
c) Treasury	-	-
d) Unallocated	-	-
Total	2,51,21,076	3,16,37,824
VII Significant non-cash expenses other than depreciation and amortisation		
a) Capital based business	-	-
b) Agency business	(12,92,127)	1,39,000
c) Unallocated	-	-
Total	(12,92,127)	1,39,000

# Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

## 32. Retirement Benefit Plan

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

**Amount of 20,328,365 (Previous year: 21,581,539) is recognised as expenses and included in “Employee benefit expense” – Note 27 in the 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.**

### a) Present value of defined benefit obligation

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of DBO at the beginning of the year	38,844,000	32,870,000
<b>Current service cost</b>		
(a) Current service cost	7,578,000	6,159,000
(b) Past Service Cost		2,093,000
(c) Loss/ (Gain) from Settlement	-	-
Interest cost	2,722,000	2,554,000
Benefits paid	(2,570,000)	(5,812,000)
Re-measurements		
a. Actuarial Loss/ (Gain) from changes in demographic assumptions	(2,968,000)	-
b. Actuarial Loss/ (Gain) from changes in financial assumptions	3,081,000	2,579,000
c. Actuarial Loss/ (Gain) from experience over the past year	(962,000)	(5,215,000)
Transfer (out)/in	7,291,000	3,616,000
Effect of Acquisition/(divestiture)	-	-
Present value of DBO at the end of the year	5,3016,000	38,844,000

# Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

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

## b) Reconciliation of fair value of plan assets

Particulars	As at 31 March 2021	As at 31 March 2020
Fair value of plan assets at the beginning of the year	34,424,000	30,160,000
Contributions by Employer	2,570,000	10,025,000
Benefits paid	(2,570,000)	(5,812,000)
Interest income on plan asset	2,025,000	1,908,000
Re-measurements		
Return on plan assets excluding amount included in interest on the net defined benefit liability/(asset)	5,891,000	(1,857,000)
Fair value of plan assets at the end of the year	42,340,000	34,424,000
Actual Return on Plan Assets	7,916,000	51,000

Statement of profit and loss

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

	For the year ended 31 March 2021	For the year ended 31 March 2020
Current service cost	7,578,000	6,159,000
Net Interest on net defined benefit liability/(asset)	697,000	646,000
Past service cost		2,093,000
Total included in 'Employee benefits expense'	8,275,000	8,898,000

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

	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation	53,016,000	38,844,000
Fair value of plan assets at the end of the year	42,340,000	34,424,000
Amount recognized in Balance sheet (assets)/liabilities	(10,676,000)	(4,420,000)
Experience Adjustment on Plan Liabilities (gain)/loss	(962,000)	(5,215,000)

# Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

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

e) Principle actuarial assumptions at the balance sheet date:

	As at 31 March 2021	As at 31 March 2020
Discount rate current	5%	5.90%
Salary escalation rate	7.00%	7.00%
Employees attrition rate	25%	13%-25%
Interest Rate on Net DBO/ (Asset) (% p.a.)	5.9% p.a.	7%
Expected weighted average remaining work life (years)	3 years	5 years
Mortality	IALM 2012-14 (Ultimate)	IALM 2012-14 (Ultimate)

f) Movement in other comprehensive income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance at start of year (Loss)/Gain	785,000	6,000
Re- measurements on DBO		
a) Actuarial (Loss)/ Gain from changes in demographic assumptions	2,968,000	-
b) Actuarial (Loss)/ Gain from changes in financial assumptions	(3,081,000)	(2,579,000)
c) Actuarial (Loss)/ Gain from experience over the past year	962,000	5,215,000
Re- measurements on Plan assets		
Return on plan assets excluding amount included in net interest on the net defined benefit liability/ (asset)	5,891,000	(1,857,000)
Balance at end of year (Loss)/Gain	7,525,000	785,000

## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 33 Maturity analysis of assets and liabilities

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

Particulars	31-Mar-21			31-Mar-20		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and cash equivalents	15,10,34,340	-	15,10,34,340	90,83,134	-	90,83,134
Trade receivables	6,07,49,977	-	6,07,49,977	28,11,86,096	-	28,11,86,096
Loans	25,01,15,649	26,06,857	25,27,22,506	-	9,13,879	9,13,879
Investments	17,51,86,034	2,07,17,434	19,59,03,468	-	2,35,15,151	2,35,15,151
Other financial assets	3,74,41,281	11,29,752	3,85,71,033	4,62,49,819	-	4,62,49,819
<b>Non-financial assets</b>						
Current tax assets (net)	6,76,50,568	4,51,47,565	11,27,98,133	5,66,11,395	7,16,06,528	12,82,17,923
Deferred tax assets (net)	-	93,50,193	93,50,193	-	56,18,300	56,18,300
Property, plant and equipment	-	76,79,972	76,79,972	-	40,43,587	40,43,587
Intangible assets under development	13,20,000	-	13,20,000	-	-	-
Other intangible assets	-	1,13,89,597	1,13,89,597	-	2,76,02,022	2,76,02,022
Other non-financial assets	7,43,28,796	35,03,97,341	42,47,26,137	6,17,81,400	37,68,60,423	43,86,41,823
<b>Total assets (A)</b>	<b>81,78,26,645</b>	<b>44,84,18,711</b>	<b>1,26,62,45,356</b>	<b>45,49,11,844</b>	<b>51,01,59,890</b>	<b>96,50,71,734</b>

## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

#### 33 Maturity analysis of assets and liabilities (Continued)

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

Particulars	31 March 2021			31-Mar-20		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial liabilities</b>						
Derivative financial instruments			-			-
Trade payable	2,89,57,417	-	2,89,57,417	6,35,74,954	-	6,35,74,954
Borrowing (other than debt securities)	57,04,153	-	57,04,153	1,12,55,87,799	-	1,12,55,87,799
Other financial liabilities	14,58,28,529	20,97,749	14,79,26,278	2,45,95,858	-	2,45,95,858
<b>Non-financial liabilities</b>						
Provisions	13,29,000	1,47,75,873	1,61,04,873	10,37,000	1,01,04,000	1,11,41,000
Other non-financial liabilities	4,48,28,458	1,11,62,658	5,59,91,116	7,49,85,662	1,26,12,818	8,75,98,480
<b>Total liabilities (B)</b>	<b>22,66,47,557</b>	<b>2,80,36,280</b>	<b>25,46,83,837</b>	<b>1,28,97,81,273</b>	<b>2,27,16,818</b>	<b>1,31,24,98,091</b>
<b>Net (A-B)</b>	<b>59,11,79,088</b>	<b>42,03,82,431</b>	<b>1,01,15,61,519</b>	<b>(83,48,69,429)</b>	<b>48,74,43,072</b>	<b>(34,74,26,357)</b>

## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency : Indian rupees)

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

Particulars	1-Apr-20	Cash flows	Changes in fair values	Exchange differences	Others*	31-Mar-21
Borrowings other than debt securities	1,12,55,87,799	(1,17,42,46,904)	-	-	5,43,63,258	57,04,153
Deposits	-	(5,82,65,321)			5,82,65,321	-
Total liabilities from financing activities	1,12,55,87,799	(1,23,25,12,225)	-	-	11,26,28,579	57,04,153

Particulars	1-Apr-19	Cash flows	Changes in fair values	Exchange differences	Others*	31-Mar-20
Borrowings other than debt securities	1,34,97,09,020	(34,96,15,571)	-	-	12,54,94,350	1,12,55,87,799
Deposits		(1,08,40,164)			1,08,40,164	-
Total liabilities from financing activities	1,34,97,09,020	(36,04,55,735)	-	-	13,63,34,514	1,12,55,87,799

\* Represents Interest expense for the year.

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

##### 35.2 Legal claims

There are no legal claims outstanding against the Company as at 31 March 2021 (previous year Nil)

##### 35.3 Contingent liabilities and assets

The company does'nt have contingent liabilities as at 31 March 2021.(previous year: Nil)

##### 35.4 Capital commitments

###### A. Uncalled liabilities

Uncalled liability as at 31 March 2021 is 45,372,500 March 2021. (previous year Nil)

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

Estimated amounts of contracts remaining to be executed on capital account and not provided for 880,000 (Previous year Nil)

Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

35.5 Operating lease commitments

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

i) Right of use asset

<b>Opening As at 1st April 2020</b>	-
Addition	38,75,023
Depreciation expense	7,50,233
<b>Closing as at 31 March 2021</b>	<b>31,24,790</b>

ii) Lease Liability

<b>Opening As at 1st April 2020</b>	-
Addition	38,75,023
Accretion of interest	2,25,086
Payment	8,81,790
<b>Closing</b>	<b>32,18,319</b>

iii)

<b>Particulars</b>	
Depreciation and ammortisation expense	7,50,233
Finance cost on lease liability	2,25,086
Expense relating to short term lease (included in other expenses)	2,23,258
<b>Total amount recognised in profit and loss</b>	<b>11,98,577</b>

iv) Short term lease payments under opertaing lease for the year ended 31 March 2021 is as below.

<b>Particulars</b>	<b>Amount</b>
Within one year	<b>18,60,482</b>

v) Other disclosure

<b>Particulars</b>	<b>% / Years/Amount</b>
Incremental borrowing rate of company (in %)	11.75
The leases have an average life of between (in years)	3
The total lease payament for the year (in amt)	11,05,048

## **Edelweiss Alternative Asset Advisors Limited**

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

#### **36 Disclosure as required by Ind AS 24– “Related Party Disclosure”:**

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

Edelweiss Rural & Corporate Services Limited  
Edelweiss Alternative Asset Advisors Pte Limited  
Edelweiss Asset Management limited  
ECL Finance Limited  
Edelweiss Asset Reconstruction Company Limited  
Edelcap Securities Limited  
Edelweiss Fininvest Limited  
ECap Equities Limited  
Edelweiss Housing Finance Limited  
Edelweiss Investment Advisors Limited  
EdelGive Foundation  
Edelweiss Value Growth Fund  
Edelweiss Private Tech Equity Fund  
Edelweiss Multi Strategy Fund Advisors LLP

##### **C. Associate companies with whom transactions have taken place:**

Edelweiss Finance & Investments Limited  
Edelweiss Custodial Services Limited  
Edelweiss Broking Limited  
Edelweiss Global Wealth Management Limited  
ESL Securities Limited  
Edelweiss Securities Limited

##### **D. Key Management Personnel**

Hemant Daga (Executive Director)  
Suresh Chandra Soni (Managing Director & Chief Executing Officer)  
Hemal Mehta (Chief Financial Officer)  
Deepak Mukhija (Company Secretary)

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

36 Disclosure as required by Ind AS 24- "Related Party Disclosure":

Transactions and balances with related parties for the year ended 31 March 2021

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2021	For the year ended 31 March 2020
	Capital account transactions			
	Equity shares issued	Edelweiss Securities And Investments Private Limited	10,00,00,000	-
	9 % Compulsory Convertible Debentures Issued	Edelweiss Financial Services Limited	25,00,00,000	-
		Edelweiss Securities And Investments Private Limited	85,00,00,000	-
(1)	Current account transactions during the year			
	Short term loans taken from (refer note 1)	Edelweiss Rural & Corporate Services Limited	1,01,69,61,663	52,05,21,200
		ECap Equities Limited	-	3,01,21,200
		Edelweiss Finvest Limited	50,00,00,000	-
		Edelweiss Securities And Investments Private Limited	45,00,00,000	-
	Short term deposits taken from	Edelweiss Custodial Services Limited	-	50,00,00,000
		Edelweiss Securities Limited	95,43,00,000	-
	Repayment of short term loans to (refer note 1)	Edelweiss Rural & Corporate Services Limited	1,01,69,61,663	51,93,00,000
		ECap Equities Limited	-	1,67,00,000
		Edelweiss Finvest Limited	40,00,00,000	-
		Edelweiss Securities And Investments Private Limited	45,00,00,000	-
	Short term loans taken from (refer note 2)	Edelweiss Rural & Corporate Services Limited	1,74,02,67,499	2,37,92,00,984
		ECap Equities Limited	-	5,02,21,200
		Edelweiss Finvest Limited	50,00,00,000	-
		Edelweiss Securities And Investments Private Limited	49,29,50,600	-
	Repayment of short term loans to (refer note 2)	Edelweiss Rural & Corporate Services Limited	2,86,01,91,694	2,59,79,31,173
		ECap Equities Limited	-	5,02,21,200
		Edelweiss Finvest Limited	50,00,00,000	-
		Edelweiss Securities And Investments Private Limited	49,29,50,600	-
	Loan given (refer note 1)	Edelweiss Securities And Investments Private Limited	25,00,00,000	-
	Loan given (refer note 2)	Edelweiss Securities And Investments Private Limited	25,00,00,000	-
	Short term deposits repayed to	Edelweiss Custodial Services Limited	-	50,00,00,000
		Edelweiss Securities Limited	95,43,00,000	-
	Interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited	4,61,96,760	11,43,29,798
		ECap Equities Limited	-	3,23,009
		Edelweiss Securities And Investments Private Limited	13,37,238	-
		Edelweiss Finvest Limited	68,29,260	-
	Interest expense on deposits taken from	Edelweiss Custodial Services Limited	-	1,08,40,164
		Edelweiss Securities Limited	5,82,65,321	-
	Interest expense on CCD	Edelweiss Financial Services Limited	1,23,288	-
		Edelweiss Securities And Investments Private Limited	4,19,178	-
	Interest income on loan given	Edelweiss Securities And Investments Private Limited	1,73,699	-
	Sale of NCD	ECL Finance Limited	17,84,33,000	-

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

36 Disclosure as required by Ind AS 24- "Related Party Disclosure":

Transactions and balances with related parties for the year ended 31 March 2021

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2021	For the year ended 31 March 2020
	Purchase of Fixed Assets	Edelweiss Housing Finance Limited	-	41,127
		Edelweiss Broking Limited	-	93,179
		Edelweiss Asset Reconstruction Company Limited	-	47,576
		Edelweiss Financial Services Limited	857	21,345
		EdelGive Foundation	-	28,324
		Edelweiss Asset Management Limited	2,345	1,06,922
		Edelweiss Investment Advisors Limited	-	15,491
		ECL Finance Limited	2,837	30,154
		ECap Equities Limited	6,633	-
		Edelweiss Global Wealth Management Limited	4,656	-
		Edelweiss Investment Adviser Limited	144	-
		Edelweiss Rural & Corporate Services Limited	18,241	-
		Edelweiss Securities Limited	1,55,579	-
	Proceeds from sale of fixed assets	Edelweiss Asset Reconstruction Company Limited	-	1,43,033
		ECL Finance Limited	-	13,668
		Edelweiss Broking Limited	36,396	71,943
		Edelcap Securities Ltd	-	269
		Edelweiss Asset Management Limited	-	62,080
		Edelweiss Financial Services Limited	-	14,639
		Edelweiss Finvest Private Limited	-	41,277
		Edelweiss Custodial Services Limited	-	1,907
		Edelweiss Housing Finance Limited	-	33,341
		Edelweiss Securities Limited	1,07,859	18,765
		ESL Securities Limited	33,982	-
		Edelweiss Rural & Corporate Services Limited	6,440	-
		Edelweiss Financial Services Limited	5,105	-
		Edelweiss General Insurance Company Limited	475	-
		Edelweiss Global Wealth Management Limited	17,182	-
	Fund raising Distributor's expenses	Edelweiss Global Wealth Management Limited	35,65,818	1,41,85,019
		Edelweiss Global Wealth Management Limited (As appearing under prepaid expenses)	2,56,20,724	2,91,86,541
		Edelweiss Broking Limited	23,60,14,152	21,54,00,937
		Edelweiss Broking Limited (As appearing under prepaid expenses)	31,69,43,241	32,44,31,128
	Reimbursements paid to	Edelweiss Rural & Corporate Services Limited	3,35,111	3,000
	Reimbursements received from	Edelweiss Alternative Asset Advisors Pte Limited	4,13,35,100	1,91,07,897
		Edelweiss Rural & Corporate Services Limited	7,49,448	10,18,899
		ECL Finance Limited	33,44,115	39,68,786
		Edelcap Securities Ltd	60,466	70,808
		Edelweiss Asset Reconstruction Company Limited	21,66,330	9,45,862
		Edelweiss Finvest Private Limited	8,06,372	8,23,306
		ECap Equities Limited	6,39,942	14,23,751
		Edelweiss Investment Advisors Limited	2,27,071	-
		Edelweiss Value Growth Fund	-	7,50,000
	Advisory fee expense	ECL Finance Limited	9,85,27,133	5,83,33,524
	Donation paid to	EdelGive Foundation	60,000	-
	Insurance expenses	Edelweiss General Insurance Company Limited	26,60,372	-
	Office expenses	Edelweiss Financial Services Limited	52,09,485	1,41,43,928
		Edelweiss Rural & Corporate Services Limited	2,02,06,796	4,35,71,272

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

36 Disclosure as required by Ind AS 24- "Related Party Disclosure":

Transactions and balances with related parties for the year ended 31 March 2021

	Nature of transaction	Related party name	For the year ended 31 March 2021	For the year ended 31 March 2020
	Cost reimbursements paid to	Edelweiss Financial Services Limited	32,54,584	51,73,688
		Edelweiss Rural & Corporate Services Limited	4,50,72,982	4,14,73,697
		ECap Equities Limited	23,55,778	26,06,133
		Edelweiss Securities Limited	12,05,374	13,84,126
		Edel Land Limited - Fountain Head	-	2,10,468
		Edelweiss Custodial Services Limited	(19,032)	11,177
		Edelweiss Broking Limited	-	1,63,022
		ECL Finance Limited	39,03,708	39,94,062
		Edelweiss Asset Management Limited	11,47,319	36,87,665
		Edelweiss Finance and Investments Limited	(15,314)	-
	Fee income earned from	Edelweiss Alternative Asset Advisors Pte Limited	19,75,14,461	21,37,25,285
		Edelweiss Rural & Corporate Services Limited	1,57,00,761	3,86,69,377
		ECL Finance Limited	12,78,73,370	13,62,69,347
		Edelcap Securities Ltd	16,87,517	17,81,811
		ECap Equities Limited	81,70,101	16,72,67,394
		Edelweiss Finvest Private Limited	3,18,19,827	11,55,36,823
		Edelweiss Asset Management Limited	-	(20,59,600)
		Edelweiss Value Growth Fund	22,05,358	22,08,721
		Edelweiss Investment Advisors Limited	92,81,398	-
		Edelweiss Private Tech Equity Fund	6,41,829	6,41,357
	Reimbursement income earned from	Edelweiss Alternative Asset Advisors Pte Limited	-	3,98,18,250
		Edelweiss Custodial Services Limited	1,904	-
		Edelweiss Finance and Investments Limited	1,532	-
		Edelweiss Securities Limited	4,595	-
	Remuneration paid to (refer note 2)	Key Management personnel	3,45,06,849	-
(II)	Balances with related parties			
	Short-term borrowings	Edelweiss Rural & Corporate Services Limited	11,93,467	1,12,11,17,662
	Trade payable to	Edelweiss Financial Services Limited	2,97,836	19,71,433
		Edelweiss Asset Management Limited	2,767	4,16,020
		Edelweiss Securities Limited	1,92,680	9,279
		Edelweiss Rural & Corporate Services Limited	45,42,812	81,02,913
		Edelweiss Global Wealth Management Limited	5,121	-
		Edelweiss Broking Limited	1,13,40,180	-
		Edelweiss General Insurance Company Limited	11,76,773	-
		ECL Finance Limited	-	3,69,76,022
		Edelweiss Multi Strategy Fund Advisors LLP	-	12,98,000
	Nomination deposit payable to	Edelweiss Financial Services Limited	-	1,00,000
	Interest accrued and due on borrowings from	Edelweiss Rural & Corporate Services Limited	(4,71,834)	44,70,137
		Edelweiss Finvest Limited	39,28,780	-
		Edelweiss Securities And Investments Private Limited	10,53,740	-
	Loans given	Edelweiss Securities And Investments Private Limited	24,99,54,978	-
	Interest accrued on loans given	Edelweiss Securities And Investments Private Limited	1,60,671	-

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

36 Disclosure as required by Ind AS 24- "Related Party Disclosure":

Transactions and balances with related parties for the year ended 31 March 2021

Nature of transaction	Related party name	For the year ended 31 March 2021	For the year ended 31 March 2020
Other financial liabilities			
Interest accrued & not due on compulsory convertible debentures	Edelweiss Financial Services Limited	1,14,041	-
	Edelweiss Securities And Investments Private Limited	3,87,740	-
Other payables	Edelweiss Financial Services Limited	2,13,78,651	2,32,69,244
	Edelweiss Asset Reconstruction Company Limited	-	1,36,000
	Edelweiss Asset Management Limited	-	3,98,673
	Edelweiss Global Wealth Management Limited	-	4,000
	Edelweiss Securities Limited	2,61,000	1,53,000
	Edelcap Securities Ltd	1,43,000	-
	Edelweiss Broking Limited	1,000	-
	Edelweiss Rural & Corporate Services Limited	1,26,000	-
	Edelweiss Custodial Services Limited	63,000	-
Trade receivables	Edelweiss Alternative Asset Advisors Pte Limited	4,18,61,550	2,28,74,646
	Ecap Equities Limited	4,07,127	1,40,96,883
	Edelcap Securities Ltd	1,57,323	1,61,702
	Edelweiss Asset Reconstruction Company Limited	15,88,561	10,97,201
	Edelweiss Finvest Private Limited	17,94,973	1,86,95,318
	ECL Finance Ltd	1,00,22,025	-
	Edelweiss Value Growth Fund	19,54,285	26,06,293
	Edelweiss Private Tech Equity Fund	2,75,351	7,56,803
	ESL Securities Limited	40,098	-
	Edelweiss Investment Advisors Limited	8,81,082	-
	Edelweiss General Insurance Company Limited	561	-
	Edelweiss Broking Ltd	-	1,76,615
	Edelweiss Global Wealth Management Limited	-	13,69,468
Other financial assets			
Advances recoverable from	ECL Finance Ltd	68,01,000	17,55,803
	Edelweiss Broking Ltd	-	11,35,608
	Edelweiss Finvest Private Limited	-	12,97,857
	Edelweiss Rural & Corporate Services Limited	10,81,000	7,68,000
	Edelweiss Securities Limited	2,21,000	-
	Edelweiss Financial Services Limited	13,95,000	-
	Edelweiss Asset Management Limited	1,95,000	-
	Edelweiss Asset Reconstruction Company Limited	65,000	-
	Edelweiss Housing Finance Limited	9,04,000	-
	Edelweiss Finance and Investments Limited	4,35,000	-

Note :

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

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

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

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

36 Disclosure as required by Ind AS 24- "Related Party Disclosure":

Transactions and balances with related parties for the year ended 31 March 2021

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2021	For the year ended 31 March 2020
	Capital account transactions			
	Equity shares issued	Edelweiss Securities And Investments Private Limited	10,00,00,000	-
	9 % Compulsory Convertible Debentures Issued	Edelweiss Financial Services Limited	25,00,00,000	-
		Edelweiss Securities And Investments Private Limited	85,00,00,000	-
(1)	Current account transactions during the year			
	Short term loans taken from (refer note 1)	Edelweiss Rural & Corporate Services Limited	1,01,69,61,663	52,05,21,200
		ECap Equities Limited	-	3,01,21,200
		Edelweiss Finvest Limited	50,00,00,000	-
		Edelweiss Securities And Investments Private Limited	45,00,00,000	-
	Short term deposits taken from	Edelweiss Custodial Services Limited	-	50,00,00,000
		Edelweiss Securities Limited	95,43,00,000	-
	Repayment of short term loans to (refer note 1)	Edelweiss Rural & Corporate Services Limited	1,01,69,61,663	51,93,00,000
		ECap Equities Limited	-	1,67,00,000
		Edelweiss Finvest Limited	40,00,00,000	-
		Edelweiss Securities And Investments Private Limited	45,00,00,000	-
	Short term loans taken from (refer note 2)	Edelweiss Rural & Corporate Services Limited	1,74,02,67,499	2,37,92,00,984
		ECap Equities Limited	-	5,02,21,200
		Edelweiss Finvest Limited	50,00,00,000	-
		Edelweiss Securities And Investments Private Limited	49,29,50,600	-
	Repayment of short term loans to (refer note 2)	Edelweiss Rural & Corporate Services Limited	2,86,01,91,694	2,59,79,31,173
		ECap Equities Limited	-	5,02,21,200
		Edelweiss Finvest Limited	50,00,00,000	-
		Edelweiss Securities And Investments Private Limited	49,29,50,600	-
	Loan given (refer note 1)	Edelweiss Securities And Investments Private Limited	25,00,00,000	-
	Loan given (refer note 2)	Edelweiss Securities And Investments Private Limited	25,00,00,000	-
	Short term deposits repayed to	Edelweiss Custodial Services Limited	-	50,00,00,000
		Edelweiss Securities Limited	95,43,00,000	-
	Interest expense on loans taken from	Edelweiss Rural & Corporate Services Limited	4,61,96,760	11,43,29,798
		ECap Equities Limited	-	3,23,009
		Edelweiss Securities And Investments Private Limited	13,37,238	-
		Edelweiss Finvest Limited	68,29,260	-
	Interest expense on deposits taken from	Edelweiss Custodial Services Limited	-	1,08,40,164
		Edelweiss Securities Limited	5,82,65,321	-
	Interest expense on CCD	Edelweiss Financial Services Limited	1,23,288	-
		Edelweiss Securities And Investments Private Limited	4,19,178	-
	Interest income on loan given	Edelweiss Securities And Investments Private Limited	1,73,699	-
	Sale of NCD	ECL Finance Limited	17,84,33,000	-

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

36 Disclosure as required by Ind AS 24- "Related Party Disclosure":

Transactions and balances with related parties for the year ended 31 March 2021

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2021	For the year ended 31 March 2020
	Purchase of Fixed Assets	Edelweiss Housing Finance Limited	-	41,127
		Edelweiss Broking Limited	-	93,179
		Edelweiss Asset Reconstruction Company Limited	-	47,576
		Edelweiss Financial Services Limited	857	21,345
		EdelGive Foundation	-	28,324
		Edelweiss Asset Management Limited	2,345	1,06,922
		Edelweiss Investment Advisors Limited	-	15,491
		ECL Finance Limited	2,837	30,154
		ECap Equities Limited	6,633	-
		Edelweiss Global Wealth Management Limited	4,656	-
		Edelweiss Investment Adviser Limited	144	-
		Edelweiss Rural & Corporate Services Limited	18,241	-
		Edelweiss Securities Limited	1,55,579	-
	Proceeds from sale of fixed assets	Edelweiss Asset Reconstruction Company Limited	-	1,43,033
		ECL Finance Limited	-	13,668
		Edelweiss Broking Limited	36,396	71,943
		Edelcap Securities Ltd	-	269
		Edelweiss Asset Management Limited	-	62,080
		Edelweiss Financial Services Limited	-	14,639
		Edelweiss Finvest Private Limited	-	41,277
		Edelweiss Custodial Services Limited	-	1,907
		Edelweiss Housing Finance Limited	-	33,341
		Edelweiss Securities Limited	1,07,859	18,765
		ESL Securities Limited	33,982	-
		Edelweiss Rural & Corporate Services Limited	6,440	-
		Edelweiss Financial Services Limited	5,105	-
		Edelweiss General Insurance Company Limited	475	-
		Edelweiss Global Wealth Management Limited	17,182	-
	Fund raising Distributor's expenses	Edelweiss Global Wealth Management Limited	35,65,818	1,41,85,019
		Edelweiss Global Wealth Management Limited (As appearing under prepaid expenses)	2,56,20,724	2,91,86,541
		Edelweiss Broking Limited	23,60,14,152	21,54,00,937
		Edelweiss Broking Limited (As appearing under prepaid expenses)	31,69,43,241	32,44,31,128
	Reimbursements paid to	Edelweiss Rural & Corporate Services Limited	3,35,111	3,000
	Reimbursements received from	Edelweiss Alternative Asset Advisors Pte Limited	4,13,35,100	1,91,07,897
		Edelweiss Rural & Corporate Services Limited	7,49,448	10,18,899
		ECL Finance Limited	33,44,115	39,68,786
		Edelcap Securities Ltd	60,466	70,808
		Edelweiss Asset Reconstruction Company Limited	21,66,330	9,45,862
		Edelweiss Finvest Private Limited	8,06,372	8,23,306
		ECap Equities Limited	6,39,942	14,23,751
		Edelweiss Investment Advisors Limited	2,27,071	-
		Edelweiss Value Growth Fund	-	7,50,000
	Advisory fee expense	ECL Finance Limited	9,85,27,133	5,83,33,524
	Donation paid to	EdelGive Foundation	60,000	-
	Insurance expenses	Edelweiss General Insurance Company Limited	26,60,372	-
	Office expenses	Edelweiss Financial Services Limited	52,09,485	1,41,43,928
		Edelweiss Rural & Corporate Services Limited	2,02,06,796	4,35,71,272

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

36 Disclosure as required by Ind AS 24- "Related Party Disclosure":

Transactions and balances with related parties for the year ended 31 March 2021

	Nature of transaction	Related party name	For the year ended 31 March 2021	For the year ended 31 March 2020
	Cost reimbursements paid to	Edelweiss Financial Services Limited	32,54,584	51,73,688
		Edelweiss Rural & Corporate Services Limited	4,50,72,982	4,14,73,697
		ECap Equities Limited	23,55,778	26,06,133
		Edelweiss Securities Limited	12,05,374	13,84,126
		Edel Land Limited - Fountain Head	-	2,10,468
		Edelweiss Custodial Services Limited	(19,032)	11,177
		Edelweiss Broking Limited	-	1,63,022
		ECL Finance Limited	39,03,708	39,94,062
		Edelweiss Asset Management Limited	11,47,319	36,87,665
		Edelweiss Finance and Investments Limited	(15,314)	-
	Fee income earned from	Edelweiss Alternative Asset Advisors Pte Limited	19,75,14,461	21,37,25,285
		Edelweiss Rural & Corporate Services Limited	1,57,00,761	3,86,69,377
		ECL Finance Limited	12,78,73,370	13,62,69,347
		Edelcap Securities Ltd	16,87,517	17,81,811
		ECap Equities Limited	81,70,101	16,72,67,394
		Edelweiss Finvest Private Limited	3,18,19,827	11,55,36,823
		Edelweiss Asset Management Limited	-	(20,59,600)
		Edelweiss Value Growth Fund	22,05,358	22,08,721
		Edelweiss Investment Advisors Limited	92,81,398	-
		Edelweiss Private Tech Equity Fund	6,41,829	6,41,357
	Reimbursement income earned from	Edelweiss Alternative Asset Advisors Pte Limited	-	3,98,18,250
		Edelweiss Custodial Services Limited	1,904	-
		Edelweiss Finance and Investments Limited	1,532	-
		Edelweiss Securities Limited	4,595	-
	Remuneration paid to (refer note 2)	Key Management personnel	3,45,06,849	-
(II)	Balances with related parties			
	Short-term borrowings	Edelweiss Rural & Corporate Services Limited	11,93,467	1,12,11,17,662
	Trade payable to	Edelweiss Financial Services Limited	2,97,836	19,71,433
		Edelweiss Asset Management Limited	2,767	4,16,020
		Edelweiss Securities Limited	1,92,680	9,279
		Edelweiss Rural & Corporate Services Limited	45,42,812	81,02,913
		Edelweiss Global Wealth Management Limited	5,121	-
		Edelweiss Broking Limited	1,13,40,180	-
		Edelweiss General Insurance Company Limited	11,76,773	-
		ECL Finance Limited	-	3,69,76,022
		Edelweiss Multi Strategy Fund Advisors LLP	-	12,98,000
	Nomination deposit payable to	Edelweiss Financial Services Limited	-	1,00,000
	Interest accrued and due on borrowings from	Edelweiss Rural & Corporate Services Limited	(4,71,834)	44,70,137
		Edelweiss Finvest Limited	39,28,780	-
		Edelweiss Securities And Investments Private Limited	10,53,740	-
	Loans given	Edelweiss Securities And Investments Private Limited	24,99,54,978	-
	Interest accrued on loans given	Edelweiss Securities And Investments Private Limited	1,60,671	-

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

Edelweiss Alternative Asset Advisors Limited

(Currency: Indian rupees)

36 Disclosure as required by Ind AS 24- "Related Party Disclosure":

Transactions and balances with related parties for the year ended 31 March 2021

Nature of transaction	Related party name	For the year ended 31 March 2021	For the year ended 31 March 2020
Other financial liabilities			
Interest accrued & not due on compulsory convertible debentures	Edelweiss Financial Services Limited	1,14,041	-
	Edelweiss Securities And Investments Private Limited	3,87,740	-
Other payables	Edelweiss Financial Services Limited	2,13,78,651	2,32,69,244
	Edelweiss Asset Reconstruction Company Limited	-	1,36,000
	Edelweiss Asset Management Limited	-	3,98,673
	Edelweiss Global Wealth Management Limited	-	4,000
	Edelweiss Securities Limited	2,61,000	1,53,000
	Edelcap Securities Ltd	1,43,000	-
	Edelweiss Broking Limited	1,000	-
	Edelweiss Rural & Corporate Services Limited	1,26,000	-
	Edelweiss Custodial Services Limited	63,000	-
Trade receivables	Edelweiss Alternative Asset Advisors Pte Limited	4,18,61,550	2,28,74,646
	Ecap Equities Limited	4,07,127	1,40,96,883
	Edelcap Securities Ltd	1,57,323	1,61,702
	Edelweiss Asset Reconstruction Company Limited	15,88,561	10,97,201
	Edelweiss Finvest Private Limited	17,94,973	1,86,95,318
	ECL Finance Ltd	1,00,22,025	-
	Edelweiss Value Growth Fund	19,54,285	26,06,293
	Edelweiss Private Tech Equity Fund	2,75,351	7,56,803
	ESL Securities Limited	40,098	-
	Edelweiss Investment Advisors Limited	8,81,082	-
	Edelweiss General Insurance Company Limited	561	-
	Edelweiss Broking Ltd	-	1,76,615
	Edelweiss Global Wealth Management Limited	-	13,69,468
Other financial assets			
Advances recoverable from	ECL Finance Ltd	68,01,000	17,55,803
	Edelweiss Broking Ltd	-	11,35,608
	Edelweiss Finvest Private Limited	-	12,97,857
	Edelweiss Rural & Corporate Services Limited	10,81,000	7,68,000
	Edelweiss Securities Limited	2,21,000	-
	Edelweiss Financial Services Limited	13,95,000	-
	Edelweiss Asset Management Limited	1,95,000	-
	Edelweiss Asset Reconstruction Company Limited	65,000	-
	Edelweiss Housing Finance Limited	9,04,000	-
	Edelweiss Finance and Investments Limited	4,35,000	-

Note :

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

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

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

## 37 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.

## 38 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.

## 38.1 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	31 March 2021			
	Level 1	Level 2	Level 3	Total
Investments in Units of AIF	-	-	76,89,196	76,89,196
Investments in Units of Mutual Fund	17,51,86,034			17,51,86,034
Investments in Listed Equity shares	1,30,28,238			1,30,28,238
Total financial assets measured at fair value on a recurring basis	18,82,14,272	-	76,89,196	19,59,03,468

Particulars	31 March 2020			
	Level 1	Level 2	Level 3	Total
Investments in Units of AIF	-	-	2,35,15,151	2,35,15,151
Total financial assets measured at fair value on a recurring basis	-	-	2,35,15,151	2,35,15,151

## 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 38.4)

## 38.2 Movement in level 3 financial instrument measured at fair value

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

Particulars	Financial assets	
	March 31, 2021	March 31, 2020
Investments in units of AIF		
At 1 April	2,35,15,151	2,63,20,300
Purchase	46,37,500	-
Redemption	(1,93,11,636)	(48,46,548)
Gains / (losses) for the period recognised in profit or loss	(11,51,819)	20,41,399
At 31 March	76,89,196	2,35,15,151
Unrealised gains / (losses) related to balances held at the end of the period	(53,56,923)	(12,03,469)

## 38.3 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)

38.4 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 31 March 2021	Fair value of liability as on 31 March 2021	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in units of AIF	76,89,196	-	Net assets approach	Fair value of underlying investments	NAV per unit Rs. 1,307.98 - 10,015	5%	3,83,382	5%	(3,83,382)
Total	76,89,196	-					3,83,382		(3,83,382)

Type of financial instruments	Fair value of asset as on 31 March 2020	Fair value of liability as on 31 March 2020	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	2,35,15,151	-	Net assets approach	Fair value of underlying investments	NAV per unit Rs. 4,698.72	5%	11,74,680	5%	(11,74,680)
Total	2,35,15,151	-					11,74,680		(11,74,680)

## 39 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 2021

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

Particulars	As at 31 March 2021		
	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	15,10,34,340	-	15,10,34,340
Investments	18,28,75,230	1,30,28,238	19,59,03,468
Other financial assets	3,69,41,281	16,29,752	3,85,71,033
Trade receivables	6,07,49,977	-	6,07,49,977
Loans	25,01,15,649	26,06,857	25,27,22,506
Total	68,17,16,477.0	1,72,64,847.0	69,89,81,324

Particulars	As at 31 March 2020		
	Financial services	Others	Total
Financial assets			
Cash and cash equivalent and other bank balances	90,83,134	-	90,83,134
Investments	2,35,15,151	-	2,35,15,151
Other financial assets	4,62,49,819	-	4,62,49,819
Trade receivables	28,11,86,096	-	28,11,86,096
Loans	-	9,13,879	9,13,879
Total	36,00,34,200	9,13,879	36,09,48,079

Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

39 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 summarise 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 31 March 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
<b>Trade payables</b>	-	-	-	-	2,89,57,417	-	-	-	-	2,89,57,417
<b>Other financial liabilities</b>	-	-	-	97,604	14,43,03,759	2,99,232	11,27,934	20,97,749	-	14,79,26,278
<b>Borrowings (other than debt securities)</b>	57,04,153	-	-	-	-	-	-	-	-	57,04,153
<b>Total undiscounted non-derivative financial liabilities</b>	57,04,153	-	-	97,604	17,32,61,176	2,99,232	11,27,934	20,97,749	-	18,25,87,848

As at 31 March 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
<b>Trade payables</b>	-	-	-	-	6,35,74,954	-	-	-	-	6,35,74,954
<b>Other financial liabilities</b>	-	-	-	-	2,45,95,858	-	-	-	-	2,45,95,858
<b>Borrowings (other than debt securities)</b>	1,12,55,87,799	-	-	-	-	-	-	-	-	1,12,55,87,799
<b>Total undiscounted non-derivative financial liabilities</b>	1,12,55,87,799	-	-	-	8,81,70,812	-	-	-	-	1,21,37,58,611

Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

39 Risk Management (Continued)

D Liquidity risk and funding management (Continued)

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

As at 31 March 2021	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
Cash and cash equivalent and other bank balances	15,10,34,340	-	-	-	-	-	-	-	-	15,10,34,340
Trade receivables	-	-	-	-	6,07,49,977	-	-	-	-	6,07,49,977
Loans	25,01,15,649	-	-	-	-	-	-	26,06,857	-	25,27,22,506
Investments at fair value through profit or loss	-	-	17,51,86,034	-	-	-	-	1,60,77,631	46,39,803	19,59,03,468
Other financial assets	-	-	-	-	3,69,41,281	-	5,00,000	11,29,752	-	3,85,71,033
Total	40,11,49,989	-	17,51,86,034	-	9,76,91,258	-	5,00,000	1,98,14,240	46,39,803	69,89,81,324

As at 31 March 2020	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Total
Cash and cash equivalent and other bank balances	90,83,134	-	-	-	-	-	-	-	-	90,83,134
Trade receivables	-	-	-	23,40,12,834	1,74,37,262	2,97,36,000	-	-	-	28,11,86,096
Loans	-	-	-	-	-	-	-	9,13,879	-	9,13,879
Investments at fair value through profit or loss	-	-	-	-	-	-	-	2,35,15,151	-	2,35,15,151
Other financial assets	-	-	-	-	4,62,49,819	-	-	-	-	4,62,49,819
Total	90,83,134	-	-	23,40,12,834	6,36,87,081	2,97,36,000	-	2,44,29,030	-	36,09,48,079

# Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency : Indian rupees)

D Liquidity risk and funding management (Continued)

(iii) Financial assets available to support future lending

March 31, 2021			
Particulars	Unencumbered		Total carrying amount
	Available as collateral	others <sup>1</sup>	
Cash and cash equivalent including bank balance	-	15,10,34,340	15,10,34,340
Trade receivables	6,07,49,977	-	6,07,49,977
Other financial assets	-	3,85,71,033	3,85,71,033
Loan	-	25,27,22,506	25,27,22,506
Investments	19,59,03,468	-	19,59,03,468
Property, Plant and Equipment	-	76,79,972	76,79,972
Total assets	25,66,53,445	45,00,07,851	70,66,61,296

March 31, 2020			
Particulars	Unencumbered		Total carrying amount
	Available as collateral	others <sup>1</sup>	
Cash and cash equivalent including bank balance	-	90,83,134	90,83,134
Trade receivables	28,11,86,096	-	28,11,86,096
Other financial assets	-	4,62,49,819	4,62,49,819
Loan	-	9,13,879	9,13,879
Investments	2,35,15,151	-	2,35,15,151
Property, Plant and Equipment	-	40,43,587	40,43,587
Total assets	30,47,01,247	6,02,90,419	36,49,91,666

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.

**(Currency : Indian rupees)**39 Risk Management *(Continued)*E 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	2020-21					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
<b>INR</b>	<b>25</b>	<b>6,21,904</b>	<b>-</b>	<b>25</b>	<b>(6,21,904)</b>	<b>-</b>

Currency of borrowing / advances	2019-20					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
<b>INR</b>	<b>25</b>	<b>(28,13,969)</b>	<b>-</b>	<b>25</b>	<b>28,13,969</b>	<b>-</b>

## (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	2020-21					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
<b>USD</b>	<b>5</b>	<b>20,93,078</b>		<b>5</b>	<b>(20,93,078)</b>	

Currency	2019-20					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
<b>USD</b>	<b>5</b>	<b>11,43,732</b>	<b>-</b>	<b>5</b>	<b>(11,43,732)</b>	<b>-</b>

## (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. There is no investment in Equity shares as at 31 March 2020.

Impact on	2020-21					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
<b>Equity shares</b>	<b>5</b>	<b>6,51,412</b>	<b>-</b>	<b>5</b>	<b>(6,51,412)</b>	<b>-</b>

## (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	2020-21					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
<b>Units of AIFs</b>	<b>5</b>	<b>3,83,382</b>	<b>-</b>	<b>5</b>	<b>(3,83,382)</b>	<b>-</b>
<b>Units of Mutual Funds</b>	<b>5</b>	<b>87,59,302</b>	<b>-</b>	<b>5</b>	<b>(87,59,302)</b>	<b>-</b>

Impact on	2019-20					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
<b>Units of AIFs and Trusts</b>	<b>5</b>	<b>11,74,680</b>	<b>-</b>	<b>5</b>	<b>(11,74,680)</b>	<b>-</b>

(Currency : Indian rupees)

39 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, 2021			March 31, 2020		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
<b>Cash and cash equivalent and other bank balances</b>	15,10,34,340	-	15,10,34,340	90,83,134	-	90,83,134
<b>Loans</b>	25,27,22,506	-	25,27,22,506	9,13,879	-	9,13,879
<b>Trade receivables</b>	6,07,49,977	-	6,07,49,977	28,11,86,096	-	28,11,86,096
<b>Investments</b>	19,59,03,468	18,82,14,272	76,89,196	2,35,15,151	-	2,35,15,151
<b>Other Financial Assets</b>	3,85,71,033	-	3,85,71,033	4,62,49,819	-	4,62,49,819
<b>Total</b>	69,89,81,324	18,82,14,272	51,07,67,052	36,09,48,079	-	36,09,48,079

Liability	March 31, 2021			March 31, 2020		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Borrowings (other than Debt Securities)</b>	57,04,153	-	57,04,153	1,12,55,87,799	-	1,12,55,87,799
<b>Trade payables</b>	2,89,57,417	-	2,89,57,417	6,35,74,954	-	6,35,74,954
<b>Other financial liabilities</b>	14,79,26,278	-	14,79,26,278	2,45,95,858	-	2,45,95,858
<b>Total</b>	18,25,87,848	-	18,25,87,848	1,21,37,58,611	-	1,21,37,58,611

**(Currency : Indian rupees)**

## 40 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	
	31-Mar-21	31-Mar-20
<b>Investments in AIF</b>	<b>76,89,196</b>	<b>2,35,15,151</b>
<b>Trade Receivables</b>	<b>6,07,09,318</b>	<b>26,26,49,220</b>
<b>Other financial assets</b>	<b>2,58,44,278</b>	<b>4,12,57,614</b>
Total Assets	9,42,42,792	32,74,21,985
<b>Off-balance sheet exposure</b>	<b>4,53,72,500</b>	-
<b>Size of the structured entities</b>	<b>1,18,31,50,21,964</b>	<b>58,88,30,38,598</b>
<b>Income from the structured entities</b>	<b>1,40,91,55,676</b>	<b>89,56,03,379</b>

- 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 2021	Year ended 31 March 2020
<b>Income from those structure entities</b>	<b>1,40,91,55,676</b>	<b>89,56,03,379</b>
<b>Type of income</b>	<b>Investment Management Fees</b>	<b>Investment Management Fees</b>
<b>Carrying amount of assets transferred to those structured entities during the period</b>	-	-

**Edelweiss Alternative Asset Advisors Limited**

**Corporate Identity Number: U67190MH2008PLC182205**

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**Annual Report for the year ended March 31, 2022**

# **Edelweiss Alternative Asset Advisors Limited**

## **Financial Statement for the year ended March 31, 2022**

### **Board of Directors**

Mr. Sushanth Nayak

Ms. Kamala Kantharaj

Mr. Kanu Doshi

Mr. Sunil Phatarphekar

### **Chief Financial Officer**

Mr. Hemal Mehta

### **Company Secretary**

Mr. Deepak Mukhija

### **Statutory Auditors**

GMJ & Co, Chartered Accountants

### **Registered Office**

Edelweiss House,

Off C.S.T. Road, Kalina,

Mumbai - 400 098.

Corporate Identity No.:

U67190MH2008PLC182205

Tel: +91 22 4009 4400

Fax: +91 22 4086 3759

## **BOARD'S REPORT**

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To the Members of  
**Edelweiss Alternative Asset Advisors Limited,**

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

### **FINANCIAL SUMMARY/ HIGHLIGHTS**

	(₹ in million)	
Particulars	2021-2022	2020-2021
<b>Total income</b>	2159.80	1444.54
Total Expenses	1653.94	1296.02
<b>Profit/(Loss) Before Tax</b>	505.86	148.52
Tax Expenses/ (Benefit)	-	-
<b>Profit/(Loss) for the year</b>	489.32	153.94
<b>Other Comprehensive Income</b>		
Re-measurement gain on defined benefit plans	(52.14)	6.74
Total Comprehensive Income	485.41	158.99
<b>Opening Balance</b>		
<b>Loss carried forward</b>	(212.18)	(371.17)
<b>Surplus carried to Balance Sheet</b>	321.32	(212.18)

### **OPERATIONS**

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

### **INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY**

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

### **SHARE CAPITAL**

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

### **DIVIDEND**

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

## DEPOSITS

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

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

## RISK MANAGEMENT & INTERNAL FINANCIAL CONTROL

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

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

## IMPACT OF COVID-19 PANDEMIC

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

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### 1) APPOINTMENT

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

The approval of the Members of the Company is sought for re appointment of Mr. Nayak as a Director at the forthcoming Annual General Meeting of the Company. The Members' approval is also being sought to confirm the appointment of Mr. Nayak as Wholetime Director of the Company.

## **2) RESIGNATION**

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

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

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

## **4) DIRECTOR RETIRING BY ROTATION**

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

## **DECLARATION FROM INDEPENDENT DIRECTORS**

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

## **BOARD AND COMMITTEE MEETINGS**

### **Board**

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

### **Audit Committee**

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

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

### **Nomination and Remuneration Committee**

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

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

### **POLICY ON REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

### **LOANS, INVESTMENTS AND GUARANTEES**

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

### **RELATED PARTY TRANSACTIONS**

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

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

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

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

### **MANAGEMENT DISCUSSION AND ANALYSIS:**

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

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

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

### **CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

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

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

### **ANNUAL RETURN**

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

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

#### **A. CONSERVATION OF ENERGY**

- i) the steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.
- ii) the steps taken by the Company for utilizing alternate source of energy - though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.
- iii) the capital investment on energy conservation equipment; Nil

#### **B. TECHNOLOGY ABSORPTION**

- (i) the efforts made towards technology absorption - The minimum technology required for the business has been absorbed.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Not Applicable
  - (a) the details of technology imported;

- (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development: Not Applicable

#### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

#### **AUDITOR'S REPORT**

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

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

#### **AUDITORS**

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

#### **COMPLIANCES AS TO SECRETARIAL STANDARDS**

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

#### **EMPLOYEES**

The Company recognizes that human capital is the key to success and growth in the Company's business. As on 31<sup>st</sup> March 2022, the Company has 158 employees.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

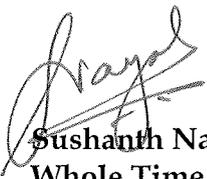
- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) such accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the financial year ended on that date;
- (iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis; and
- (v) proper systems had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## ACKNOWLEDGMENTS

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

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

  
**Kamala Kantharaj**  
Director  
DIN:07917801

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

**Date: April 29, 2022**

## Form AOC-2

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

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

(Currency: Indian rupees in millions)

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

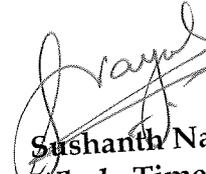
Sr. No.	Name(s) of the related party and nature of Relationship	Nature of contracts/arrangements/transaction	Duration of the contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
1	Sekura India Management Limited - Fellow Subsidiary Company	Trademark License	License continues unless terminated by the Company	1. License shall be used only for lawful business purposes 2. Shall continue to be in force unless expressly revoked 3. In the event the Licensee commits breach of any of the terms of this Agreement and such breach, if in the opinion of the Owner, is (i) not remediable; or (ii) remediable, but not remedied by the Licensee within a period of thirty (30) days of receipt of a written notice in that behalf from the Owner, the Owner may terminate this Agreement forthwith by a written notice	-	25/02/22	NA	NA

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

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

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

  
Kamala Kantharaj  
Director  
DIN:07917801

  
Sushanth Nayak  
Whole Time Director  
DIN: 02857645

Date: April 29, 2022

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

We have audited the accompanying Ind AS financial statements of Edelweiss Alternative Asset Advisors Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

**Other Information**

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

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

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



### **Management's Responsibilities for the Ind AS Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

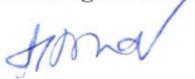
### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 58.9(A) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiary”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;
- b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 58.9(B) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the period by the Company.

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



Haridas Bhat  
Partner  
Membership No.:39070



UDIN: 22039070AIDOEM1344  
Place: Mumbai  
Date: May 11, 2022

**Annexure A to the Auditors' Report**

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

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (a)(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, there is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2022.
- (e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) (A) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to its subsidiaries, joint ventures and associates.
- (B) During the year, the Company has provided loans aggregating to Rs. 13,15,00,000 to three companies other than its subsidiaries, joint ventures and associates and the balance outstanding as at the balance sheet date with respect to such loans is Rs. 11,00,00,000. Further as per the information and explanations given to us by the management, the Company has not granted advances in nature of loans or given any guarantee or provided any security during the year to parties other than its subsidiaries, joint ventures and associates.
- (b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans during the year to companies and other parties are not prejudicial to the Company's interest. Further as per the information given by the management



the Company has not provided any guarantees or not given any security.

- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the Company has granted loan during the year to its holding company, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, there are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) In our opinion and according to the information and explanations given to us, there were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company:
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a Company in which the director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, investments in respect of which the provisions of section 186 of the Companies Act 2013 are applicable have been complied with by the Company.
- (v) According to the information and explanations given by the management, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained by the management of the Company, the Company is not in the business of sale of any goods or provision of such services as prescribed u/s 148 (1) of Companies Act, 2013. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, goods and service tax, cess and other statutory dues, applicable to it, have been regularly deposited during the year by the Company with the appropriate authorities. The provisions relating to employees' state insurance, sales tax, service tax, duty of excise, duty of custom, value added tax and cess are currently not applicable to the Company

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

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

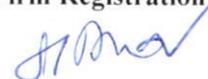


- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, term loans have been applied for the purpose for which loans were obtained.
- (d) In our opinion and on an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.



- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.
- (xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 58.8 to the financial statements, ageing and expected dates of 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(xxii) of the Order is not applicable to the Company.

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

  
Haridas Bhat  
Partner

Membership No.:39070

UDIN: 22039070AID0EM1394  
Place: Mumbai Date: May 11, 2022



## **Annexure B to the Auditors' Report**

### **Annexure B the Independent Auditor's report of even date on the financial statements of Edelweiss Alternative Asset Advisor 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, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.



**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

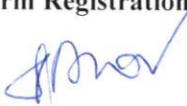
**Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

  
Haridas Bhat  
Partner  
Membership No.:39070



UDIN: 22039070AID0EM1344

Place: Mumbai  
Date: May 11, 2022

**Edelweiss Alternative Asset Advisors Limited**

**Balance Sheet**

(Currency: Indian rupees in lakhs)

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

Significant accounting policies and notes forming part of the financial statements

1-58

For GMJ & Co.

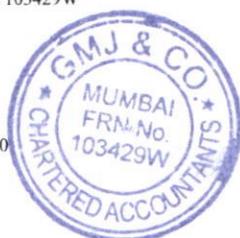
Chartered Accountants

Firm's Registration No.: 103429W

Haridas Bhat

Partner

Membership No: 039070



For and on behalf of the Board of Directors

Kamala Kantharaj Sushanth Niyak  
Director Whole Time Director

DIN.: 07917801

DIN.: 02857645

Hemal Mehta

Chief Financial Officer

Deepak Mukhija

Company Secretary



Mumbai  
29 April 2022

Mumbai  
29 April 2022

**Edelweiss Alternative Asset Advisors Limited**

**Statement of Profit and Loss**

(Currency: Indian rupees in lakhs)

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

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

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

Haridas Bhat  
Partner  
Membership No: 039070



Mumbai  
29 April 2022

For and on behalf of the Board of Directors

Kamala Kantharaj  
Director  
DIN.: 07917801

Sushanth Nayak  
Whole Time Director  
DIN.: 02857645

Hemal Mehta  
Chief Financial Officer

Deepak Mukhija  
Company Secretary

Mumbai  
29 April 2022



**Edelweiss Alternative Asset Advisors Limited**

**Cash Flow Statement**

(Currency: Indian rupees in lakhs)

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

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  
29 April 2022

For and on behalf of the Board of Directors

Kamala Kantharaj  
Director  
DIN.: 07912801

Hemal Mehta  
Chief Financial Officer  
Mumbai  
29 April 2022

Prashant Nayak  
Whole Time Director  
DIN.: 02857645

Deepak Mukhija  
Company Secretary



**Edelweiss Alternative Asset Advisors Limited**

(Currency: Indian rupees in lakhs)

**Statement of Changes in Equity**

**(A) Equity share capital**

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

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

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

**(C) Other Equity**

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

**(i) Securities premium**

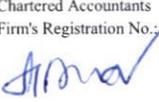
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**(ii) Share Option Reserve**

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

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

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

  
**Haridas Bhat**  
Partner  
Membership No: 039070



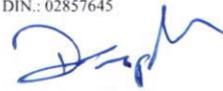
Mumbai  
29 April 2022

For and on behalf of the Board of Directors

  
**Kamala Kantharaj**  
Director  
DIN.: 07917801

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

  
**Hemal Mehta**  
Chief Financial Officer  
Mumbai  
29 April 2022

  
**Deepak Mukhija**  
Company Secretary



**Edelweiss Alternative Asset Advisors Limited**

(Currency: Indian rupees in lakhs)

**Statement of Changes in Equity**

**(A) Equity share capital**

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

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

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

**(C) Other Equity**

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

**(i) Securities premium**

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

**(ii) Share Option Reserve**

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



## 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)

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

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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

### 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.

#### 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

### 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.

#### 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]



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

### 4.2.2 Financial liabilities

All financial liabilities are measured at amortised cost

#### 4.2.2.1 Debt securities and other borrowed funds

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

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

Financial assets and financial liabilities in this category are those that are not held for trading and are mandatorily required to be measured at fair value under Ind AS 109.

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

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

#### 4.2.3 Financial liabilities and equity instruments

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

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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

### 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.

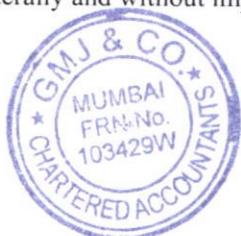
The Company has transferred the financial asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the financial asset; or
- 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

### 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.

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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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

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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

- 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 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

- In case of staff loans interest income is recognised on accrual basis

### 4.9 Operating leases

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

Company as a lessee:

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

Measurement and recognition

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

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

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

Short term lease

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

In the comparative period, as a lessee the Company classified leases that transfer substantially all the risk and reward of ownership as finance leases. Assets held under other



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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.

### 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,



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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

### 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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 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.



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

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.

##### 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



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

### 5.1.2 Significant increase in credit risk

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

### 5.1.3 Consolidation of structured entities

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

## 5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation



## Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (continued)

Currency : (Indian Rupees in lakhs)

models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility.

- Impairment of financial assets

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Probabilities of defaults (PDs) the calculation of which includes historical data, assumptions and expectations of future conditions.
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a life-time expected credit loss model basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, exposure at defaults and loss given defaults (LGDs)
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

It is Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary

- Effective interest rate method

The Company's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of characteristics of the product life cycle.

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes fee income/expense that are integral parts of the instrument.

### 6 Standards issued but not yet effective

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



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

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

Description of assets	Gross block		Depreciation and amortization				Net block		
	As at 1 April 2021	Additions during the year	Deductions during the year	As at 31 March 2022	As at 1 April 2021	Additions during the year	Deductions during the year	As at 31 March 2022	As at 31 March 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	3.07	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>122.48</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
<b>Total : B</b>	<b>244.79</b>	<b>77.57</b>	<b>6.77</b>	<b>315.59</b>	<b>130.89</b>	<b>89.41</b>	<b>6.77</b>	<b>213.53</b>	<b>113.90</b>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

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

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



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

	As at March 31 2022	As at March 31 2021
<b>8 Intangible assets under development</b>		
<b>Projects in progress</b>		
Less than 1 year	6.40	13.20
More than 1 year	-	-
	<u>6.40</u>	<u>13.20</u>
<b>9 Investments</b>		
<b>Quoted</b>		
Investments in equity instruments	-	130.28
<b>Unquoted</b>		
Investment in NCD	8,995.64	-
Investment in Security Receipts	467.28	-
Investments in units of Alternative Investment Funds (AIF)	1,526.87	76.89
	<u>10,989.79</u>	<u>207.17</u>
<p>Note: Of the above, Investment in NCD and Investments in units of Alternative Investment Funds (AIF) are pledged with financial institutions amounting to Rs. 9650.87. (previous year:N.A).</p> <p>The above investments are held in India and are measured at Fair Value Through Profit or loss.</p>		
<b>10 Loans</b>		
Loan to employees	-	26.07
	<u>-</u>	<u>26.07</u>
<b>11 Other financial Assets</b>		
Rental deposits	12.20	11.30
	<u>12.20</u>	<u>11.30</u>
<b>12 Current tax assets (net)</b>		
Advance income taxes and tax deducted at source (refer note 43.3)	1,128.15	451.48
	<u>1,128.15</u>	<u>451.48</u>
<b>13 Deferred tax</b>		
<b>Deferred tax assets (refer note 43.3)</b>		
Employee benefit obligations	70.040	34.11
Provision for expected credit losses	0.050	0.11
Difference between book and tax depreciation	(0.41)	70.05
Right of Use Assets less lease liabilities (net)	(0.40)	0.24
Sub total	<u>69.280</u>	<u>104.51</u>
<b>Deferred tax liability</b>		
Fair valuation of investments	(128.05)	(11.01)
Sub total	<u>(128.05)</u>	<u>93.50</u>
<b>Deferred tax (liability) / assets (net)</b>	<u>(58.77)</u>	<u>93.50</u>
<b>14 Other non-current assets</b>		
Prepaid expenses	4,416.87	3,503.97
	<u>4,416.87</u>	<u>3,503.97</u>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

	As at March 31 2022	As at March 31 2021
<b>15 Cash and cash equivalents</b>		
<b>Balances with banks</b>		
- in current accounts	466.02	1,510.34
	<u>466.02</u>	<u>1,510.34</u>
<b>16 Bank balances other than cash and cash equivalents</b>		
Fixed deposits with banks (refer note below)	55.60	-
Balance with Banks - in escrow accounts (refer note below)	54.96	-
	<u>110.56</u>	<u>-</u>

Notes :

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

**17 Trade receivables**

<b>Unsecured</b>		
Undisputed Trade receivables – considered good	5,902.10	607.50
	<u>5,902.10</u>	<u>607.50</u>

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

**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, 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	-	-	-	-	-
<b>Net carrying amount</b>	-	<u>5,871.69</u>	<u>30.41</u>	<u>-</u>	<u>5,902.10</u>
<b>As at March 31, 2021</b>					
(i)Undisputed Trade receivables – considered good	-	603.03	1.13	3.34	607.50
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
<b>Net carrying amount</b>	-	<u>603.03</u>	<u>1.13</u>	<u>3.34</u>	<u>607.50</u>

**18 Investments**

<b>Unquoted</b>		
Investment in NCD	932.01	-
Investment in Security Receipts	149.72	-
<b>Quoted</b>		
Investments in equity instruments	499.49	-
Investments in units of Mutual Fund	4,160.23	1,751.86
	<u>5,741.45</u>	<u>1,751.86</u>

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

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

**19 Loans**

Loan to holding company at amortised cost	1,111.49	2,501.61
Less: Impairment loss allowance	(0.20)	(0.45)
	<u>1,111.29</u>	<u>2,501.16</u>

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



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

	As at March 31 2022	As at March 31 2021
<b>20 Other financial assets</b>		
Advances recoverable in cash or in kind or for value to be received	449.63	369.41
Rental deposits	9.20	5.00
	<u>458.83</u>	<u>374.41</u>
<b>21 Current tax assets (net)</b>		
Advance income taxes and tax deducted at source (refer note 41.3)	421.74	676.50
	<u>421.74</u>	<u>676.50</u>
<b>22 Other current assets</b>		
Prepaid expenses	887.83	611.08
Vendor Advances	98.53	116.13
Advances to employees	21.57	16.08
	<u>1,007.93</u>	<u>743.29</u>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

	As at March 31 2022	As at March 31 2021
<b>23.1 Equity share capital</b>		
<b>a. Authorised :</b>		
2,30,00,000 (Previous year: 2,30,00,000) equity shares of Rs. 10/- each	<u>2,300.00</u>	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	<u>1,237.47</u>	1,237.47
	<u>1,237.47</u>	1,237.47

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

	As at March 31, 2022		As at March 31, 2021	
	No of shares	Amount	No of shares	Amount
<i>Equity shares</i>				
Number of shares outstanding at the beginning of the year	1,23,74,737	1,237.47	23,74,737	237.47
Shares issued during the year	-	-	1,00,00,000	1,000.00
Number of shares at the end of the year	<u>1,23,74,737</u>	<u>1,237.47</u>	<u>1,23,74,737</u>	<u>1,237.47</u>

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

	As at March 31 2022		As at March 31 2021	
	No of shares	Percentage of share holding	No of shares	Percentage of share holding
Edelweiss Securities Limited and its nominees.	10,44,884	8.44%	10,44,884	8.44%
Edelweiss Securities And Investments Private Limited	1,12,11,116	90.60%	1,12,11,116	90.60%
	<u>1,22,56,000</u>	<u>99.04%</u>	<u>1,22,56,000</u>	<u>99.04%</u>

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

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

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

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

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

The Company has only one class of shares, referred to as equity shares, having a par value of 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: Indian rupees in lakhs)

**23.2 Instruments entirely equity in nature**

	As at March 31, 2022	As at 31 March 2021
a 11,00,00,000 compulsory convertible debentures of Rs 10 each fully paid	11,000.00	11,000.00
	<u>11,000.00</u>	<u>11,000.00</u>

**b The movement in instruments during the year :**

Compulsory convertible debentures (CCDs)	As at March 31, 2022		As at 31 March 2021	
	No of CCDs	Amount	No of CCDs	Amount
Outstanding at the beginning of the year	11,00,00,000	11,000	-	-
Issued during the year	-	-	11,00,00,000	11,000
Outstanding at the end of the year	<u>11,00,00,000</u>	<u>11,000</u>	<u>11,00,00,000</u>	<u>11,000</u>

**c Details of holders holding more than 5%**

	No of CCDs	Amount	No of CCDs	Amount
Edelweiss Financial Services Limited	-	-	2,50,00,000	2,500
Edelweiss Securities And Investments Private Limited	11,00,00,000	11,000	8,50,00,000	8,500
	<u>11,00,00,000</u>	<u>11,000</u>	<u>11,00,00,000</u>	<u>11,000</u>

**d Terms/rights attached to Instruments entirely equity in nature**

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

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



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
<b>24 Provisions</b>		
Compensated leave absences	111.71	41.00
Gratuity	169.22	106.76
	<u>280.93</u>	<u>147.76</u>
<b>25 Borrowings (other than debt securities)</b>		
Term loan from Financial Institution	5,150.00	-
	<u>5,150.00</u>	<u>-</u>
<b>Following is the repayment terms of loans :</b>		
Above borrowing is secured term loan from Financial Institution at interest rate of 12 percent per annum which is repayable within 36 months from date of disbursement.		
(Secured against exclusive investments in debt securities and units of Alternative Investment Funds and charge on identified fee receivables and corporate guarantee of Ultimate Holding Company).(refer note 52 D (iii)).		
<b>26 Lease Liability</b>		
Lease liability	6.20	20.98
	<u>6.20</u>	<u>20.98</u>
<b>27 Other financial liabilities</b>		
Other payables	608.04	-
	<u>608.04</u>	<u>-</u>
<b>28 Other non-current liabilities</b>		
Income received in advance	94.41	101.55
Others	-	10.08
	<u>94.41</u>	<u>111.63</u>
<b>29 Borrowings (other than debt securities)</b>		
<u>Unsecured at amortised cost</u>		
Loan from fellow subsidiary	3,336.43	57.04
Borrowings in india	3,336.43	57.04
Borrowings outside india	-	-
	<u>3,336.43</u>	<u>57.04</u>

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



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**30 Trade payables**

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

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

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

	As at March 31 2022	As at March 31 2021
<b>31 Lease liability</b>		
Lease liability	13.70	11.20
	<u>13.70</u>	<u>11.20</u>
<b>32 Other financial liabilities</b>		
Accrued salaries and benefits	3,542.03	1,221.11
Interest accrued & not due on compulsory convertible debentures	0.03	5.02
Other payables	321.43	220.95
	<u>3,863.49</u>	<u>1,447.08</u>
<b>33 Provisions</b>		
<b>Provision for employee benefits</b>		
Compensated absences	22.87	13.29
	<u>22.87</u>	<u>13.29</u>
<b>34 Other non-financial liabilities</b>		
Income received in advance	14.50	17.51
Withholding taxes, Goods & service tax and other taxes payable	687.83	414.63
Others	5.65	16.14
	<u>707.98</u>	<u>448.28</u>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

	For the year ended March 31 2022	For the year ended March 31 2021
<b>Revenue from operations</b>		
<b>35 Interest Income</b>		
<b>On Financial assets measured at amortised cost</b>		
Loan to Holding Company	177.69	1.74
Loan given to employees	0.86	4.17
Loan to others	1.41	-
Debt instruments	-	149.54
Fixed deposit	0.60	-
Inter corporate deposits	1.99	-
<b>On Financial assets measured at fair value through profit and loss</b>		
Debt instruments	191.81	149.54
	<u>374.36</u>	<u>155.45</u>
<b>36 Revenue from contract with customers</b>		
Advisory and other fees	20,170	14,184.37
	<u>20,170</u>	<u>14,184.37</u>
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	20,170	14,184.37
<b>Total revenue from contract with customers</b>	<u>20,170</u>	<u>14,184.37</u>
<b>37 Net gain on fair value changes</b>		
Fair value gain/(loss) on financial instruments at fair value through profit or loss	893.17	(3.06)
Profit on sale of investments	75.98	7.41
Income distribution from fund	-	42.05
	<u>969.15</u>	<u>46.40</u>
<b>38 Other income</b>		
Profit on sale of fixed assets (net)	4.43	0.05
Miscellaneous income and other reimbursements	61.90	0.08
Shared Premises income	18.57	-
Interest on Income Tax Refund	-	59.03
	<u>84.90</u>	<u>59.16</u>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

	For the year ended March 31 2022	For the year ended March 31 2021
<b>39 Finance costs</b>		
<b>On financial liabilities measured at amortised cost</b>		
Interest on loan from financial institution	125.11	-
Interest on loan from fellow subsidiaries	73.50	543.63
Interest on Inter-corporate deposits	0.01	582.66
Interest on compulsorily convertible debentures	515.25	5.43
Interest on Lease Liability	2.84	2.25
Interest - others	0.21	0.08
Financial and bank charges	287.60	0.76
	<u>1,004.52</u>	<u>1,134.81</u>
<b>40 Impairment on financial Instruments</b>		
ECL provision on loan given to holding company	(0.25)	0.45
	<u>(0.25)</u>	<u>0.45</u>
<b>41 Employee benefit expenses</b>		
Salaries, wages and Bonus	9,508.67	6,147.38
Contribution to provident and other funds	381.64	305.79
Expense on Employee Stock Option Scheme (refer note below)	(3.33)	90.66
Staff welfare expenses	115.61	52.31
Expense on Employee Stock Appreciation Rights (refer note below)	50.60	123.72
	<u>10,053.19</u>	<u>6,719.86</u>

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: Indian rupees in lakhs)

	For the year ended March 31 2022	For the year ended March 31 2021
<b>42 Other expenses</b>		
Advertisement and business promotion	127.70	5.21
Auditors' remuneration (refer note below)	6.50	6.50
Communication	39.20	42.68
Computer expenses	282.71	20.26
Computer software	-	41.16
Clearing & custodian charges	0.34	0.07
Donation	-	0.60
Electricity charges	15.34	0.60
Foreign exchange loss	1.21	26.22
Insurance	26.53	2.76
Legal and professional fees	1,006.32	1,089.33
Membership and subscription	29.56	49.18
Office expenses	34.94	263.79
Postage and courier	-	0.21
Printing and stationery	1.36	5.66
Rates and taxes	1.38	0.35
Rating Support Fees	7.98	9.52
Rent	551.60	598.69
Repairs and maintenance	4.13	2.24
ROC expenses	-	19.58
Seminar and conference	-	1.96
Goods & Service tax expenses	0.07	(1.37)
Directors' Sitting Fees	4.40	4.00
Stamp paper charges	2.99	0.97
Stock exchange expenses	1.49	2.51
Travelling and conveyance	208.15	113.15
Transportation Charges	-	0.06
Usage of Assets	-	7.36
Outside Services Cost	40.42	9.41
Selling and Distribution expenses	2,943.94	2,530.47
Miscellaneous expenses	0.76	0.76
	<b>5,339.02</b>	<b>4,853.89</b>

**Note:**

**1) Auditors' remuneration:**

As auditor	6.00	5.00
For others	0.50	1.50
	<b>6.50</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 s.o expended is reimbursed by the Company on the basis of number of employees, area occupied, actual identifications etc. Accordingly, and as identified appropriately, the expenditure heads in the above note are gross of the reimbursements



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

#### 43 Deferred Tax assets

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

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

#### 43.1 Reconciliation of total tax charge

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

Break-up of income tax recorded in OCI	31-Mar-22	31-Mar-21
<b>Deferred tax</b>		
Employee benefit obligations	13.12	(16.97)
<b>Total</b>	<b>13.12</b>	<b>(16.97)</b>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**43 Deferred Tax assets (continued)**

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

As at 31 March 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>

As at 31 March 2021		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 2017-2018	2,264.49	F.Y. 2024-2025	8.46	N.A	2,272.95
A.Y 2018-2019	2,836.19	F.Y. 2025-2026	39.36	N.A	2,875.55
A.Y 2019-2020	1,798.39	F.Y. 2026-2027	109.09	N.A	1,907.47
<b>Total</b>	<b>6,899.07</b>		<b>156.91</b>		<b>7,055.98</b>



Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

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

Movement for the period (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>

Movement for the period (2020-21)				
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Recognised in OCI	Closing deferred tax asset / (liability) as per Ind AS
Deferred taxes in relation to:				
Property, Plant and Equipment including intangibles	51.53	18.52	-	70.05
Employee benefits obligations	4.65	46.42	(16.97)	34.11
ROU Assets less lease liabilities (net)	-	0.24	-	0.24
Fair valuation of investments	-	(11.01)	-	(11.01)
Provision for expected credit losses	-	0.11	-	0.11
<b>Total</b>	<b>56.18</b>	<b>54.28</b>	<b>(16.97)</b>	<b>93.50</b>

44 Earnings per share	For the year ended	
	March 31 2022	March 31 2021
a) Net amount attributable to the equity shareholders (as per statement of profit and loss)	4,893.18	1,539.44
b) Calculation of weighted average number of equity Shares of Rs 10 each:		
- Number of shares at the beginning of the year	1,23,74,737	23,74,737
- Shares issued during the year	-	1,00,00,000
- Shares to be issued against compulsory convertible debentures	64,70,588	6,02,740
Total number of equity shares outstanding at the end of the year	1,88,45,325	1,29,77,477
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	1,88,45,325	25,93,915
Basic earnings per share (in rupees) (a/b)	25.96	59.35
Diluted earnings per share (in rupees) (a/b)	25.96	59.35



Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

45 Segment reporting.

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

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

Segment Results	For the year ended 31 March 2022	For the year ended 31 March 2021
I Segment revenue		
a) Capital based business	1,248.59	183.45
b) Agency business	20,255.32	14,247.70
c) Treasury	94.08	14.23
d) Unallocated	-	-
Total	21,597.99	14,445.38
Less : Inter segment revenue		
Total Income	21,597.99	14,445.38
II Segment results		
a) Capital based business	707.75	183.45
b) Agency business	4,772.00	1,287.93
c) Treasury	94.08	13.78
d) Unallocated	(515.25)	-
Total	5,058.58	1,485.16
Profit before taxation	5,058.58	1,485.16
Less : Provision for taxation	165.39	-54.28
Profit after taxation	4,893.19	1,539.44
III Segment assets		
a) Capital based business	13,700.63	207.17
b) Agency business	14,044.47	8,108.76
c) Treasury	4,160.22	4,253.02
d) Unallocated	55.60	93.50
Total	31,960.92	12,662.45
IV Segment liabilities		
a) Capital based business	8,486.43	-
b) Agency business	7,965.03	2,546.84
c) Treasury	-	-
d) Unallocated	58.80	-
Total	16,510.26	2,546.84
V Capital expenditure (Including capital work-in-progress)		
a) Capital based business	-	-
b) Agency business	145.11	101.92
c) Treasury	-	-
d) Unallocated	-	-
Total	145.11	101.92
VI Depreciation and amortisation		
a) Capital based business	-	-
b) Agency business	142.93	251.21
c) Treasury	-	-
d) Unallocated	-	-
Total	142.93	251.21
VII Significant non-cash expenses other than depreciation and amortisation		
a) Capital based business	-	-
b) Agency business	80.29	(12.92)
c) Treasury	(0.25)	-
d) Unallocated	-	-
Total	80.04	(12.92)



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

#### 46. Retirement Benefit Plan

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

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

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

The following tables 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.

###### a) Present value of defined benefit obligation

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



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

#### B) Defined benefit plan (Gratuity): (continued)

##### b) Reconciliation of fair value of plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Fair value of plan assets at the beginning of the year	423.40	344.24
Contributions by Employer	83.11	25.70
Benefits paid	(83.11)	(25.70)
Interest income on plan asset	21.11	20.25
<b>Re-measurements</b>		
Return on plan assets excluding amount included in interest on the net defined benefit liability/(asset)	11.52	58.91
Fair value of plan assets at the end of the year	456.03	423.40
Actual Return on Plan Assets	32.63	79.16

##### Statement of profit and loss

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

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

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

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



## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

#### B) Defined benefit plan (Gratuity): (continued)

e) Principle actuarial assumptions at the balance sheet date:

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

f) Movement in other comprehensive income

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



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)



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

(Currency: Indian rupees in lakhs)

**47 Change in liabilities arising from financing activities**

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

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

\* Represents Interest expense for the year.

**48 Contingent liabilities, commitments and lease arrangements****48.1 Legal claims**

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

**48.2 Contingent liabilities and assets**

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

**48.3 Capital commitments****A. Uncalled liabilities**

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

**B. Estimated amounts of contracts**

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



Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

48.4 Operating lease commitments

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

i) Right of use asset

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

Right of use asset

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

ii) Lease Liability

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

Lease Liability

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

iii) Total amount recognised in profit and loss

	31-Mar-22
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
	39.66

Total amount recognised in profit and loss

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

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

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

v) Other disclosure

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



**Edelweiss Alternative Asset Advisors Limited**

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

**49 Disclosure as required by Ind AS 24– “Related Party Disclosure”:**

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

Edelweiss Rural & Corporate Services Limited  
Edelweiss Alternative Asset Advisors Pte Limited  
Edelweiss Asset Management limited  
ECL Finance Limited  
Edelweiss Asset Reconstruction Company Limited  
Edelcap Securities Limited  
Edelweiss Finvest Limited  
Edelweiss Housing Finance Limited  
Edelweiss Investment Advisors Limited  
Sekura India Management Limited  
Edelweiss Real Asset Managers Limited  
Edel Land Limited  
Edel Finance Company Limited  
EdelGive Foundation  
Edelweiss Value Growth Fund  
India Credit Fund II  
Edelweiss General Insurance Company Limited  
Edelweiss Gallagher Insurance Brokers Limited upto 17 October 2021  
Edelweiss Tokio Life Insurance Company Ltd  
Edelweiss Private Tech Equity Fund

**C. Associate companies with whom transactions have taken place:**

Edelweiss Finance & Investments Limited  
Edelweiss Custodial Services Limited  
Edelweiss Broking Limited  
Edelweiss Global Wealth Management Limited  
ESL Securities Limited  
Edelweiss Securities Limited

**D. Key Management Personnel**

Hemant Daga (Executive Director) Till 5 January 2022  
Suresh Chandra Soni (Managing Director & Chief Executing Officer) Till 31 May 2021  
Hemal Mehta (Chief Financial Officer)  
Deepak Mukhija (Company Secretary)  
Sushanth Nayak (Whole Time Director) w.e.f 1st March 2022



**Edelweiss Alternative Asset Advisors Limited**

(Currency: Indian rupees)

49 Disclosure as required by Ind AS 24- "Related Party Disclosure":

(F) Transactions with related parties:

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
	<b>Capital account transactions</b>			
	Equity shares issued	Edelweiss Securities And Investments Private Limited	-	1,000.00
	<b>Compulsory Convertible Debentures Issued</b>	Edelweiss Financial Services Limited	-	2,500.00
		Edelweiss Securities And Investments Private Limited	-	8,500.00
(f)	<b>Current account transactions during the year</b>			
	<b>Short term loans taken from (refer note 1)</b>		<b>1,400.00</b>	
		Edelweiss Rural & Corporate Services Limited	-	10,169.62
		Edelweiss Finvest Limited	-	5,000.00
		Edelweiss Securities And Investments Private Limited	-	4,500.00
	<b>Short term loans taken from (refer note 2)</b>		<b>3,300.00</b>	
		Edelweiss Rural & Corporate Services Limited	-	-
		Edelweiss Finvest Limited	-	5,000.00
		Edelweiss Securities And Investments Private Limited	-	4,929.51
	<b>Short term deposits taken from (refer note 1 &amp; 2)</b>		<b>50.00</b>	
		Sekura India Management Limited	-	-
		Edelweiss Securities Limited	-	9,543.00
	<b>Short term deposits repaid to (refer note 1 &amp; 2)</b>		<b>50.00</b>	
		Sekura India Management Limited	-	9,543.00
	<b>Repayment of short term loans to (refer note 1)</b>		<b>(11.93)</b>	
		Edelweiss Rural & Corporate Services Limited	-	(10,169.62)
		Edelweiss Finvest Limited	-	(4,000.00)
		Edelweiss Securities And Investments Private Limited	-	(4,500.00)
	<b>Repayment of short term loans to (refer note 2)</b>		<b>(11.93)</b>	
		Edelweiss Rural & Corporate Services Limited	-	(28,601.92)
		Edelweiss Finvest Limited	-	(5,000.00)
		Edelweiss Securities And Investments Private Limited	-	(4,929.51)
	<b>Loan given (refer note 1)</b>		<b>(1,100.00)</b>	
		Edelweiss Securities And Investments Private Limited	-	2,500.00
	<b>Loan given (refer note 2)</b>		<b>(1,100.00)</b>	
		Edelweiss Securities And Investments Private Limited	-	2,500.00
	<b>Loan repaid (refer note 1)</b>		<b>2,000.00</b>	
		Edelweiss Securities And Investments Private Limited	-	-
	<b>Loan repaid (refer note 2)</b>		<b>2,500.00</b>	
		Edelweiss Securities And Investments Private Limited	-	-
	<b>Intercompany Deposit given to (refer note 1)</b>		<b>(90.00)</b>	
		Sekura India Management Limited	-	-
		Edelweiss Real Asset Managers Limited	(25.00)	-
	<b>Intercompany Deposit given to (refer note 2)</b>		<b>(190.00)</b>	
		Sekura India Management Limited	-	-
		Edelweiss Real Asset Managers Limited	(25.00)	-
	<b>Intercompany Deposit repaid by (refer note 1)</b>		<b>100.00</b>	
		Sekura India Management Limited	-	-
		Edelweiss Real Asset Managers Limited	25.00	-
	<b>Intercompany Deposit repaid by (refer note 2)</b>		<b>190.00</b>	
		Sekura India Management Limited	-	-
		Edelweiss Real Asset Managers Limited	25.00	-
	<b>Interest expense on loans taken from</b>		<b>73.50</b>	
		Edelweiss Rural & Corporate Services Limited	-	461.97
		Edelweiss Securities And Investments Private Limited	-	13.37
		Edelweiss Finvest Limited	-	68.29
	<b>Interest expense on deposits taken from</b>		<b>0.01</b>	
		Sekura India Management Limited	-	-
		Edelweiss Securities Limited	-	582.65
	<b>Interest expense on CCD</b>		<b>117.10</b>	
		Edelweiss Financial Services Limited	-	1.23
		Edelweiss Securities And Investments Private Limited	-	4.19
	<b>Interest income on loan given</b>		<b>177.69</b>	
		Edelweiss Securities And Investments Private Limited	-	1.74
	<b>Interest income on intercompany deposit given</b>		<b>1.21</b>	
		Sekura India Management Limited	-	-
		Edelweiss Real Asset Managers Limited	0.78	-
	<b>Sale of NCD</b>		<b>-</b>	
		ECL Finance Limited	-	1,784.33
	<b>Purchase of NCD</b>		<b>2,221.40</b>	
		ECL Finance Limited	-	-



**Edelweiss Alternative Asset Advisors Limited**

(Currency: Indian rupees)

**Edelweiss Alternative Asset Advisors Limited**

(Currency: Indian rupees)

49 Disclosure as required by Ind AS 24- "Related Party Disclosure":

Transactions and balances with related parties for the year ended 31 March 2022				
Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
	<b>Purchase of Fixed Assets</b>	Edelweiss Financial Services Limited	0.29	0.01
		Edelweiss Asset Management Limited	-	0.02
		ECL Finance Limited	-	0.03
		Edel Land Limited (refer note 4)	-	0.07
		Edelweiss Global Wealth Management Limited	-	0.05
		Edelweiss Investment Adviser Limited	-	0.00
		Edelweiss Rural & Corporate Services Limited	0.14	0.18
		Edelweiss Securities Limited	-	1.56
	<b>Proceeds from sale of fixed assets</b>	Edelweiss Broking Limited	-	0.36
		Edelweiss Securities Limited	-	1.08
		ESL Securities Limited	-	0.34
		Edelweiss Rural & Corporate Services Limited	-	0.06
		Edelweiss Financial Services Limited	-	0.05
		Edelweiss General Insurance Company Limited	-	0.00
		Edelweiss Asset Management Limited	0.01	-
		Edelweiss Global Wealth Management Limited	-	0.17
	<b>Fund raising Distributor's expenses</b>	Edelweiss Global Wealth Management Limited	35.66	35.66
		Edelweiss Global Wealth Management Limited (As appearing under prepaid expenses)	220.55	256.21
		Edelweiss Broking Limited	2,749.90	2,360.14
		Edelweiss Broking Limited (As appearing under prepaid expenses)	4,452.61	3,169.43
	<b>Reimbursements paid to</b>	Edelweiss Rural & Corporate Services Limited	-	3.35
	<b>Reimbursements received from</b>	Edelweiss Alternative Asset Advisors Pte Limited	188.97	413.35
		Edelweiss Rural & Corporate Services Limited	8.57	7.49
		ECL Finance Limited	16.61	33.44
		Edelcap Securities Ltd	0.18	0.60
		Edelweiss Asset Reconstruction Company Limited	6.10	21.66
		Edelweiss Finvest Private Limited	-	8.06
		Edel Finance Company Limited	0.19	-
		Edelweiss Investment Advisors Limited	0.67	2.27
		Edel Land Limited (refer note 4)	6.39	6.40
	<b>Advisory fee expense</b>	ECL Finance Limited	611.01	985.27
	<b>Guarantee comission</b>	Edelweiss Financial Services Limited	0.61	-
	<b>Insurance expenses</b>	Edelweiss General Insurance Company Limited	52.53	26.60
		Edelweiss Gallagher Insurance Brokers Limited	0.55	-
		Edelweiss Tokio Life Insurance Company Ltd	28.31	-
	<b>Office expenses</b>	Edelweiss Financial Services Limited	-	52.09
		Edelweiss Rural & Corporate Services Limited	-	202.07
	<b>Cost reimbursements paid to</b>	Edelweiss Financial Services Limited	9.65	32.55
		Edelweiss Rural & Corporate Services Limited	503.92	450.73
		Edel Land Limited	-	23.56
		Edelweiss Asset Management Limited	-	11.47
		Edelweiss Broking Limited	0.65	-
		Edelweiss Securities And Investments Private Limited - Magnolia	195.50	-
		ECL Finance Limited	3.26	39.04
		Edelweiss Securities Limited	0.14	12.05
	<b>Fee income earned from</b>	Edelweiss Alternative Asset Advisors Pte Limited	3,236.06	1,975.14
		Edelweiss Rural & Corporate Services Limited	106.83	157.01
		ECL Finance Limited	982.58	1,278.73
		Edelcap Securities Ltd	15.97	16.88
		Edelweiss Value Growth Fund	20.20	22.05
		Edelweiss Investment Advisors Limited	153.96	92.81
		Edelweiss Financial Services Limited	690.00	-
		Sekura India Management Limited	75.00	-
		India Credit Fund II	292.37	-
		Edelweiss Private Tech Equity Fund	6.04	6.42
		Edelweiss Finvest Private Limited	-	318.20
		Edel Land Limited (refer note 4)	482.67	81.70



**Edelweiss Alternative Asset Advisors Limited**

(Currency: Indian rupees)

**Edelweiss Alternative Asset Advisors Limited**

(Currency: Indian rupees)

49 Disclosure as required by Ind AS 24- "Related Party Disclosure".

**Transactions and balances with related parties for the year ended 31 March 2022**

Sr. No.	Nature of transaction	Related party name	For the year ended 31 March 2022	For the year ended 31 March 2021
	<b>Cost Reimbursement received from</b>			
		Edelweiss Broking Limited	0.93	-
		Edelweiss Financial Services Limited	1,734.00	-
		Edelweiss Custodial Services Limited	5.88	0.21
		Edelweiss Finance and Investments Limited	11.76	0.17
		Edelweiss Asset Reconstruction Company Limited	0.17	-
		Edelweiss Securities Limited	3.71	0.05
			-	-
	<b>Remuneration paid to (refer note 2)</b>	Key Management personnel	549.52	345.07
			-	-
			-	-
(ii)	<b>Balances with related parties</b>			
	<b>Compulsory convertible debentures</b>	Edelweiss Securities And Investments Private Limited	11,000.00	8,500.00
		Edelweiss Financial Services Limited	-	2,500.00
			-	-
	<b>Short-term borrowings</b>	Edelweiss Rural & Corporate Services Limited	3,300.00	11.93
			-	-
	<b>Trade payable to</b>	ECL Finance Limited	28.49	-
		Edelweiss Securities And Investments Private Limited	31.52	-
		Edelweiss Rural & Corporate Services Limited	37.70	-
		Edelweiss Investment Advisors Limited	23.11	-
		Edelweiss Securities Limited	0.81	1.93
		Edelweiss Broking Limited	2,039.42	113.40
		Edelweiss Financial Services Limited	-	2.98
		Edelweiss Asset Management Limited	-	0.03
		Edelweiss Asset Management Limited	-	0.03
		Edelweiss General Insurance Company Limited	-	11.77
			-	-
	<b>Interest accrued and due on borrowings from</b>	Edelweiss Rural & Corporate Services Limited	36.43	(4.72)
		Edelweiss Finvest Limited	-	39.29
		Edelweiss Securities And Investments Private Limited	-	10.54
			-	-
	<b>Loans given</b>	Edelweiss Securities And Investments Private Limited	1,099.80	2,499.55
			-	-
	<b>Interest accrued on loans given</b>	Edelweiss Securities And Investments Private Limited	11.49	1.61
			-	-
	<b>Interest accrued &amp; not due on compulsory convertible debentures</b>	Edelweiss Securities And Investments Private Limited	0.83	3.88
		Edelweiss Financial Services Limited	-	1.14
			-	-
	<b>Other payables</b>	Edelweiss Asset Reconstruction Company Limited	1.62	-
		Edelweiss Financial Services Limited	-	213.79
		Edelweiss Securities Limited	-	2.61
		Edelcap Securities Ltd	-	1.43
		Edelweiss Broking Limited	-	0.01
		Edelweiss Rural & Corporate Services Limited	-	1.26
		Edelweiss Custodial Services Limited	-	0.63
			-	-
	<b>Contract liability</b>	Edelweiss Broking Limited	927.74	-
	<b>Trade receivables</b>	Edelweiss Alternative Asset Advisors Pte Limited	1,376.41	418.62
		Edelcap Securities Ltd	1.46	1.57
		Edelweiss Asset Reconstruction Company Limited	1.16	15.89
		Edelweiss Finvest Private Limited	-	17.95
		India Credit Investment Fund II	88.74	100.22
		Fidel Land Limited (refer note 4)	37.52	4.07
		Edelweiss Custodial Services Limited	3.34	-
		Sekura India Management Limited	81.00	-
		Edelweiss Financial Services Limited,	726.89	-
		Edelweiss Value Growth Fund	27.71	19.54
		Edelweiss Private Tech Equity Fund	3.86	2.75
		Edelweiss Finance & Investments Limited	6.67	-
		Edelweiss Finvest Private Limited	-	17.95
		ECL Finance Limited	-	100.22
		ESL Securities Limited	-	0.40
		Edelweiss Investment Advisors Limited	-	8.81
		Edelweiss General Insurance Company Limited	-	0.01
			-	-
	<b>Other financial assets</b>	ECL Finance Limited	4.13	68.01
		Edelweiss Rural & Corporate Services Limited	1.37	10.81
		Edelweiss Value Growth Fund	4.49	-
		Edelweiss Financial Services Limited	160.37	13.95
		Edelweiss Asset Management Limited	0.12	1.95
		Edelweiss Asset Reconstruction Company Limited	-	0.65
		Edelweiss Housing Finance Limited	-	9.04
		Edelweiss Finance and Investments Limited	-	4.35
		Edelweiss General Insurance Company Limited	0.01	-
			-	-
	<b>Off Balance sheet items</b>			
	<b>Corporate guarantee given</b>	Edelweiss Financial Services Limited	12,500.00	-

**Note :**

- 1) Loan taken from related parties are disclosed based on maximum of debit/credit during the reporting period.
- 2) Loan taken from related parties are disclosed based on total debit/credit taken during the reporting period.
- 3) Information relating to remuneration paid to key managerial person mentioned above excludes provision made for gratuity, leave encashment and retention incentive which are provided for group of employees on overall basis. These are included on cash basis. The variable compensation included herein is on cash.
- 4) Pursuant to the composite scheme of arrangement and amalgamation under section 230 to 232 of the Companies Act, 2013, Edel Land Limited ('Amalgamated or Resulting Company'), ECap Equities Limited ('Demerged Company' - defined in the scheme as demerged undertaking and thereby entire activities, business, operations and undertakings of the Demerged Company forming part of the Trading and Capital Markets business) and EC Commodity Limited ('Amalgamating Company') has been amalgamated with effect from 01 April 2020 ('the Appointed date').



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**50 Capital management :**

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

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

The Company is not subject to any regulatory capital requirements.

**51 Fair Values of Financial Instruments:**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

**51.1 Assets and liabilities by fair value hierarchy**

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

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

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

**Fair valuation Technique**

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

**51.2 Movement in level 3 financial instrument measured at fair value**

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

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



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

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

Particulars	Financial assets	
	March 31 2022	March 31 2021
<b>Investments in Security Receipts</b>		
At 1 April	-	-
Purchase	665.00	-
Redemption	(48.00)	-
Gains / (losses) for the period recognised in profit or loss	-	-
<b>At 31 March</b>	<b>617.00</b>	-
Unrealised gains / (losses) related to balances held at the end of the period	-	-

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

**51.3 Financial instruments not measured at fair value**

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



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

(Currency: Indian rupees in lakhs)

51.4 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 31 March 2022	Fair value of liability as on 31 March 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 - 10,773	5%	76.33	5%	(76.33)
Units in Security receipts	617.00	-	Discounted	Discount cash flow method	19.50%	0.05%	0.31	0.05%	(0.31)
<b>Total</b>	<b>2,143.87</b>	<b>-</b>					<b>76.64</b>		<b>(76.64)</b>
Type of financial instruments	Fair value of asset as on 31 March 2021	Fair value of liability as on 31 March 2021	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in units of AIF	76.89	-	Net assets approach	Fair value of underlying investments	NAV per unit Rs. 1,307.98 - 10,015	5%	3.83	5%	(3.83)
<b>Total</b>	<b>76.89</b>	<b>-</b>					<b>3.83</b>		<b>(3.83)</b>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**52 Risk Management**

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

**A Risk management structure**

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

**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 2022 and 31 March 2021**

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

Particulars	As at 31 March 2022				Total
	Financial services	Infrastructure	Real Estate	Others	
<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	7,481.75	2,179.13	766.24	16,731.23
Other financial assets	449.63	-	-	21.40	471.03
Trade receivables	5,902.10	-	-	-	5,902.10
Loans	1,111.29	-	-	-	1,113.29
<b>Total</b>	<b>14,343.70</b>	<b>7,481.75</b>	<b>2,179.13</b>	<b>787.64</b>	<b>24,794.23</b>

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



**Edelweiss Alternative Asset Advisors Limited**

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

**52 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**

	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
<b>As at 31 March 2022</b>											
Trade payables	-	-	-	-	328.03	4.97	2,039.42	614.24	-	-	2,367.45
Other financial liabilities	-	-	-	3,543.21	1.09	-	327.92	-	-	-	4,491.44
Borrowings	-	-	36.43	-	-	-	3,300.00	5,150.00	-	-	8,486.43
<b>Total undiscounted non-derivative financial liabilities</b>	-	-	36.43	3,543.21	329.12	4.97	5,667.34	5,764.24	-	-	15,345.32
<b>As at 31 March 2021</b>											
Trade payables	-	-	-	-	635.75	-	-	-	-	-	635.75
Other financial liabilities	-	-	-	-	245.96	-	-	-	-	-	245.96
Borrowings (other than debt securities)	11,255.88	-	-	-	-	-	-	-	-	-	11,255.88
<b>Total undiscounted non-derivative financial liabilities</b>	11,255.88	-	-	-	881.71	-	-	-	-	-	12,137.59



**Edelweiss Alternative Asset Advisors Limited**

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

**52 Risk Management (Continued)**

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

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

	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
<b>As at 31 March 2022</b>										
Cash and cash equivalent	466.02	-	-	-	-	110.56	-	-	-	466.02
Bank balances other than cash and cash equivalents	-	-	5,902.10	-	-	1,099.80	-	-	-	110.56
Trade receivables	-	11.49	-	-	-	1,275.77	4,947.65	5,727.98	-	5,902.10
Loans	-	130.75	-	-	174.70	9.20	-	-	314.16	1,111.29
Investments	-	-	-	449.63	-	-	12.20	-	-	16,731.23
Other financial assets	-	142.24	-	6,351.74	174.70	2,495.33	4,959.85	5,727.98	314.16	471,032.5
<b>Total</b>	<b>4,626.25</b>	<b>142.24</b>	<b>-</b>	<b>6,351.74</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>
<b>As at 31 March 2021</b>										
Cash and cash equivalent	1,510.34	-	-	-	-	-	-	-	-	1,510.34
Trade receivables	-	-	-	607.50	-	-	26.07	-	-	607.50
Loans	-	-	-	-	-	-	160.77	-	-	2,527.23
Investments	-	1,751.86	-	369.41	-	5.00	11.30	46.40	-	1,959.03
Other financial assets	-	-	-	976.91	-	5.00	198.14	46.40	-	385.71
<b>Total</b>	<b>4,011.50</b>	<b>1,751.86</b>	<b>-</b>	<b>976.91</b>	<b>-</b>	<b>5.00</b>	<b>198.14</b>	<b>46.40</b>	<b>-</b>	<b>6,989.81</b>



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**52 Risk Management (Continued)**

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

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

March 31 2022					
Particulars	Unencumbered				Total carrying amount
	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	-	3,370.70	-	5,902.10
Other financial assets	-	471.03	-	-	471.03
Loan	-	1,111.29	-	-	1,111.29
Investments	6,035.66	-	-	10,695.57	16,731.23
Property, Plant and Equipment	-	85.531	-	-	85.53
<b>Total assets</b>	<b>8,567.07</b>	<b>2,133.88</b>	<b>3,481.26</b>	<b>10,695.57</b>	<b>24,877.77</b>

March 31 2021					
Particulars	Unencumbered				Total carrying amount
	Available as collateral	others <sup>1</sup>	others <sup>2</sup>	Pledged as collateral	
Cash and cash equivalent	-	1,510.34	-	-	1,510.34
Trade receivables	607.50	-	-	-	607.50
Other financial assets	-	385.71	-	-	385.71
Loan	-	2,527.23	-	-	2,527.23
Investments	1,959.03	-	-	-	1,959.03
Property, Plant and Equipment	-	76.80	-	-	76.80
<b>Total assets</b>	<b>2,566.53</b>	<b>4,500.08</b>	<b>-</b>	<b>-</b>	<b>7,066.61</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 in lakhs)

**52 Risk Management (Continued)**

**E 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	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	(0.55)	-	25	0.55	-

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

**(ii) Currency risk**

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

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

Currency	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)	-

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

**(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	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)	-

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



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**52 Risk Management (Continued)**

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

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





## Edelweiss Alternative Asset Advisors Limited

### Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

#### 53 Unconsolidated structured entities

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

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

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

Particulars	Alternative Investment Funds	
	31-Mar-22	31-Mar-21
Investments	1,526.87	76.89
Trade Receivables	5,093.21	607.09
Other financial assets	283.47	258.44
<b>Total Assets</b>	<b>6,903.55</b>	<b>942.43</b>
Off-balance sheet exposure	1,202.89	453.73
Size of the structured entities	14,02,305.00	11,83,150.22
Income from the structured entities	19,857.75	14,091.56

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

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



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**54 Earnings and expenditure in foreign currency**

The Company has undertaken the following transactions in foreign currency:

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

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Advertisement and business promotion	49,23,148	-
Market data services	-	30.09
	49,23,148	30.09

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

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

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

**56 Previous year comparatives**

Previous year figures have been regrouped and rearranged wherever necessary.

**57 Events after Reporting Date**

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

**58 Other Additional Regulatory Information**

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

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

**58.2. Loans and Advances**

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

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment

**58.3. Details of Benami Property held**

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

**58.4 Security of current assets against borrowings**

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



**Edelweiss Alternative Asset Advisors Limited**

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

(Currency: Indian rupees in lakhs)

**58 Other Additional Regulatory Information (continued)**

**58.5. Wilful Defaulter**

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

**58.6. Relationship with Struck off Companies**

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

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

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

**58.8. Ratios**

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

Net profit ratio : Net profit/Total Revenue

Return on Equity : Net profit/Average Shareholders funds

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

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

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

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



Edelweiss Alternative Asset Advisors Limited

Notes to the financial statements (Continued)

(Currency: Indian rupees in lakhs)

58 Other Additional Regulatory Information (continued)

58.9. Utilisation of Borrowed funds and share premium:

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

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

58.10. Undisclosed Income

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

58.11. Details of Crypto Currency or Virtual Currency

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

As per our report of even date attached.

For GMJ & Co.

Chartered Accountants

Firm's Registration No.: 103429W

Haridas Bhat

Partner

Membership No: 039070



Mumbai  
29 April 2022

For and on behalf of the Board of Directors

*Kamala Kantharaj*

Kamala Kantharaj

Director

DIN.: 07917801

*Hemal Mehta*

Hemal Mehta

Chief Financial Officer

Mumbai  
29 April 2022

*Sushant Nayak*

Sushant Nayak

Whole Time Director

DIN.: 02857645

*Deepak Mukhija*

Deepak Mukhija

Company Secretary



Edelweiss Alternative Asset Advisors Limited  
Edelweiss House, 5th Floor,  
Off CST Road, Kalina,  
Mumbai 400098

## ANNEXURE V

Kind Attn:-Vishal R Parmar

Dear Sir,

**Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Market-Linked Debentures aggregating up to INR 30 Crores to be issued by your Company**

This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable, Market-Linked Debentures aggregating up to INR 30 Crores to be issued. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

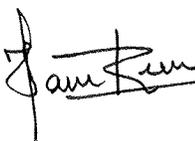
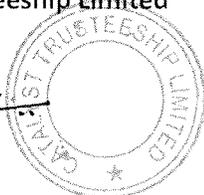
**Acceptance Fee:** INR 1,00,000/- plus applicable taxes (One Time, Non-Refundable payable on appointment as trustee).

**Service Charges:** INR 1,50,000/- plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till satisfaction of charges in full.  
Pro-rata charges would apply for the first year from date of appointment till 31-Mar-2023.

All out of pocket expenses incurred towards legal fees, travelling, inspection charges, etc shall be levied and reimbursed on actual basis.

Yours faithfully,

For Catalyst Trusteeship Limited

Authorised Signatory

For Edelweiss Alternative Asset Advisors Limited





Authorised Signatory

**NOTE:** As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.



CL/MUM/22-23/DEB/215

Edelweiss Alternative Asset Advisors Limited

Edelweiss House, 5th Floor,  
Off CST Road, Kalina,  
Mumbai 400098

Kind Attn:-Vishal R Parmar

Dear Sir,

**Consent to act as Trustee for Secured, Listed, Rated, Redeemable, Market-Linked Debentures aggregating up to INR 30 Crores to be issued by your Company**

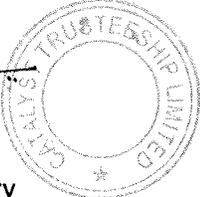
This is with reference to the discussions in respect of appointment of Catalyst Trusteeship Limited to act as Debenture Trustee for the Secured, Listed, Rated, Redeemable Market-Linked Debentures aggregating upto INR 30 Crores to be issued by your Company. In this connection, we are agreeable to act as Trustee on the terms and conditions as mutually agreed between the Trustee and the Company.

We hereby convey our acceptance to act as Debenture Trustees for the said issue Debentures, subject to execution of Debenture Trustee Agreement as per Regulation 13 of SEBI (Debenture Trustee) Regulations, 1993, thereby agreeing to create the security within the timeline as per relevant Laws / Regulations and in the Offer Document / Information Memorandum / Disclosure Document and company agreeing / undertaking to comply with the provisions of SEBI (Debenture Trustee ) Regulations, 1993, SEBI (Issue And Listing Of Non-Convertible Securities) Regulation, 2021, SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, Companies Act, 2013 and Rules thereunder and other applicable laws as amended from time to time.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Yours faithfully,

For Catalyst Trusteeship Limited

Authorised Signatory

For Edelweiss Alternative Asset Advisors Limited





Authorised Signatory

**NOTE:** As per GST guidelines, CTL would be required to pay the applicable GST on the amounts / charges payable to us as indicated above. Please note that the Company would be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore, no refund of any statutory dues already paid would be made.



CTL/22-23/1066

(Annexure A)

**DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE DEBENTURE TRUSTEE AT THE TIME OF FILING THE DRAFT OFFER DOCUMENT OR PRIVATE PLACEMENT MEMORANDUM/ INFORMATION MEMORANDUM  
(Applicable for Secured and Unsecured Issuances)**

To,

## ANNEXURE VI

The Manager,  
**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
Mumbai – 400 001

Dear Sir / Madam,

**SUB.: Issue of 200 (Two Hundred) Secured, Rated, Listed, Redeemable, Principle Protected, Market Linked, Non-Convertible Debentures of the face value of Rs. 10,00,000/- (Rupees Ten Lakhs only) each aggregating upto Rs. 20,00,00,000/- (Rupees Twenty Crores only) with Green shoe option up to Rs. 10,00,00,000 (Rupees Ten Crores only) on private placement basis by Edelweiss Alternate Asset Advisors Limited.**

We, the debenture trustee(s) to the above-mentioned forthcoming issue state as follows:

- 1) We have examined documents pertaining to the said issue and other such relevant documents, reports and certifications.
- 2) On the basis of such examination and of the discussions with the Issuer, its directors and other officers, other agencies and on independent verification of the various relevant documents, reports and certifications:

We confirm that:

- a) The Issuer has made adequate provisions for and/or has taken steps to provide for adequate security for the debt securities to be issued.
- b) The Issuer has obtained the permissions / consents necessary for creating security on the said property(ies).
- c) The Issuer has made all the relevant disclosures about the security and its continued obligations towards the holders of debt securities.
- d) Issuer has adequately disclosed all consents/ permissions required for creation of further charge on assets in offer document or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum with respect to creation of security are in confirmation with the clauses of debenture trustee agreement.



- e) Issuer has given an undertaking that charge shall be created in favour of debenture trustee as per terms of issue before filing of listing application.
- f) Issuer has disclosed all covenants proposed to be included in debenture trust deed (including any side letter, accelerated payment clause etc.), offer document or private placement memorandum/ information memorandum and given an undertaking that debenture trust deed would be executed before filing of listing application.
- g) All disclosures made in the draft offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

**Place: Mumbai**  
**Date: June 14, 2022**



**For Catalyst Trusteeship Limited**

For CATALYST TRUSTEESHIP LIMITED

*ppoudyal*  
Authorized Signatory

**Authorized Signatory**

