

# COMMITTED TO SUSTAINABILITY

Driven by Purpose





# ACROSS THE PAGES

02-31

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**Disclaimer:** This document contains statements about expected future events and financials of Edelweiss Alternative Asset Advisors, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements.

Images in this report have been used for representative purposes only

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# COMMITTED TO SUSTAINABILITY Driven by Purpose

At Edelweiss Alternatives, we are a purpose-driven organisation committed to fostering sustainable value creation. We take our responsibility to help build a better tomorrow with a deep sense of dedication, recognising the profound impact our actions can have on shaping a brighter future.

Our journey of growth is deeply intertwined with India's Alternative Asset Management industry, guiding our determination to reach new heights. Our focus continues to remain on identifying long-term secular investment opportunities suitable for long-term patient capital.

We firmly believe that sustainable growth is an integral part of our mission and endeavour that our customer-centric solutions and investments also generate positive impact on both the economy and society. By supporting mid-sized companies, affordable housing, and critical infrastructure, we actively contribute to the advancement of India. Our strategic investments play a pivotal role in job creation, economic development, community upliftment, social welfare promotion, and the establishment of sustainable infrastructure, thereby driving robust and sustainable economic growth.

Responsible and purpose-driven investing is deeply ingrained in our organisational ethos. It permeates every facet of our operations, as we continuously seek innovative approaches to nurture our core values.

We approach potential opportunities with unwavering enthusiasm, ensuring that our steadfast commitment to sustainability and excellence shines through in all our endeavours.





## MESSAGE FROM THE LEADERSHIP

Dear Stakeholders,

It gives me great pleasure to present the Annual Report of Edelweiss Alternative Asset Advisors for the financial year ended March 31, 2023.

At Edelweiss Alternatives, enhancing customer trust, providing bespoke solutions to investee companies, attracting and nurturing best-in-class talent, and creating a positive impact on communities are the four key pillars for creating a sustainable business. Our vision is centered around fulfilling these responsibilities while staying true to our values of prudence, responsibility, integrity, dependability, and equity.

In a world trying to cope with still rising inflation and interest rates, the Indian economy has shown remarkable resilience. It continues to be one of the fastest-growing emerging economies globally. The accelerated pace of reforms in the domains of fiscal, digital, physical infrastructure and social inclusion has positioned India for sustainable growth in a highly volatile global environment. While increased infrastructure spending by the Government is an important catalyst, an imminent turnaround in the corporate capex cycle and the structural housing demand will help to sustain the ~6-7% growth rate for the economy.

The alternative asset management industry in India has seen exponential growth. Structural investment opportunities along with attractive risk-adjusted returns have created strong tailwinds. Alternative asset management is becoming mainstream in India. It is estimated that the industry will grow five times to ~US\$ 450 bn over the next 8-10 years as the Indian economy reaches ~US\$ 7.5 tn. Over the last year, we have seen very strong interest from domestic investors in alternative funds, as they look at differentiated products with stable returns and diversify away from equity as an asset class.

Sustainable investing continues to be one of the areas we are focussed on. As an important step along this journey, we became a signatory of UNPRI in early 2023. We believe ESG integration is helping make our approach towards investments and risk monitoring more holistic. Increasing the diversity of our workforce, including our investment teams, is another key initiative that we embarked upon.

We are committed to investing in strategies that create a positive impact. In today's world, where environmental considerations are more critical than ever, we are also



We are committed to investing in strategies that create a positive impact on society. In today's world, where environmental sustainability is more critical than ever before, we are helping create a brighter and more sustainable future.

contributing towards creating a brighter and more sustainable future. Our renewables portfolio would help reduce carbon emissions of 23.1 mn tonnes over the asset life. Over 26 mn litres of water is expected to be saved annually through robotic cleaning of our solar panels. We are planning to launch an Energy Transition Fund for India with some partners as a next step in this journey. Over 14,000 hours of safety, health, and environment training during the year across our infrastructure portfolio shows our commitment to these aspects. The completion/construction finance provided by our Real Estate Credit Strategy is helping build ~26,000 mid-income and affordable homes in India. Our Special Situations Strategy works on revival of companies and has assisted in saving ~25,000 jobs.

In this last year, we raised ₹ 140 bn (~US\$ 1.8 bn) across our funds from both offshore and domestic customers. Our assets under management currently stand at ₹ 465 bn (~US\$ 6 bn). We have now reached an investor base of 2,000+ with 700+ repeat customers. One of the adjacencies that we are excited about this year is the Rental Yield Plus - a fund that would provide rental yields by investing in commercial offices in India. This is another structural opportunity that India offers which can provide regular cash flows and capital gains for long-term patient capital.

In the last year, we closed our maiden diversified energy infrastructure investment trust (InvIT) – AnZen with an initial AUM of ₹ 23 bn (~US\$ 300 mn). This vehicle will help in providing long-term predictable yields to investors through investments in super core infrastructure assets.

Monetisation of infrastructure assets and mainstreaming of private debt continued to play out in FY 2022-23. Our infrastructure platform continues to grow in scale as developers look to recycle capital for growth. Basis signed deals, we will scale up to a portfolio of 27 diversified assets across renewables, highways and transmission lines with a cumulative annual revenue of ~US\$ 350 mn. The dearth of liquidity globally post the tightening of monetary policies by central banks including India has created attractive investment opportunities to deploy capital across our credit strategies. We have already invested over a third of the US\$ 800 mn raised so far in our Special Situations Fund and it is currently tracking higher than originally targeted returns. Our Real Estate Credit Funds that were launched pre-COVID, are tracking meaningful double digit returns currently. The focus of this strategy continues to be on project execution as we see strong end-user interest in projects which are completed or those with visible progress on construction. We are also looking at launching our next generation Real Estate

We believe adding value to our investments through our asset management expertise and the use of technology would continue to be a key differentiator for the business. Through our 100+ member operating and asset management team for real assets and a turnaround team, we have been able to monitor cash flows, enhance operating efficiency, reduce costs and improve sales in our portfolio companies.

Credit Fund in the next financial year.

Cash realisations from our investments and capital preservation remain key for us. In the last five years, we have invested ~US\$ 2.5 bn and realised ~US\$ 3 bn across our strategies. Even in Real Estate Credit, where construction was severely impacted by COVID for almost two years, we have been able to recover our entire invested capital in one of our domestic funds – EROF and ~60% of our capital invested in our offshore fund.

We continue to strengthen our platform, improve processes and enhance the customer experience. Our technology platform is being enhanced to help us monitor our portfolios better. With the use of technology, we have successfully reduced the turnaround time for investor onboarding to just 24 hours. I continue to believe that we are a people's business and we are working towards increasing the 'sustainability quotient' by hiring the right talent and harnessing them through a culture that supports ownership, teamwork and excellence.

Lastly, I would like to take this opportunity to welcome our new customers and thank the existing ones for the trust reposed in our platform and supporting us in our journey so far. And I believe that we will continue to build on this trust through our investment performance which is guided by a strong risk and governance framework.

Yours sincerely,

Venkat

Venkat Ramaswamy

Chairman, Edelweiss Asset Management



## THE MAINSTREAMING OF ALTERNATIVES

Investors today are increasingly drawn to Alternative Investments due to their potential for diversification and reduced interdependence with public markets. These investments extend beyond traditional asset classes like equity, debt, or cash and encompass private equity, private debt, real assets, derivative contracts and more.

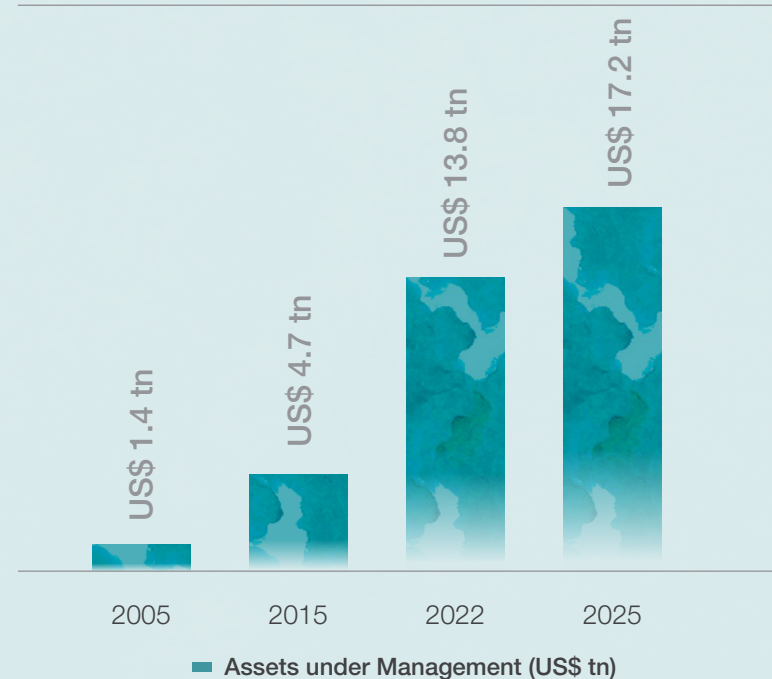
### A Global Perspective – Rapid Growth

The global alternative asset management industry has witnessed rapid growth over the last decade.

**Currently, the alternative industry's assets under management (AUMs) are ~US\$ 14 tn, having grown over ten-fold since 2005.**

According to Preqin, the global alternative asset management industry is projected to reach ~US\$ 17 tn by 2025, demonstrating an annualised growth rate of ~13% since 2005.

Alternative Assets under Management Trends and Forecast, 2005-2025\*



**Private Equity and Private Debt are among the fastest-growing asset classes globally**

Private Equity is expected to grow to US\$ 9.1 tn, while Private Debt is estimated to grow to US\$ 1.5 tn by 2025. With infrastructure spending expected to rise due to attention on SDGs, private infrastructure as an asset class is also witnessing growth.

Source: Preqin, \*AUMs for 2022 are upto September 2022. 2025 estimates are as per Preqin – Future of Alternatives report

## INDIAN ALTERNATIVE ASSET MANAGEMENT INDUSTRY

### Strong Tailwinds

The Alternative Investment Fund (AIF) industry in India is growing at an accelerated pace and gaining prominence as a noteworthy investment option.

### Effective Regulation has Provided the Impetus

Alternative investment funds in India are regulated by the securities regulator – Securities and Exchange Board of India.

1996

Venture Capital Fund (VCF) regulation framed to encourage seed business entrepreneurs to obtain funding

2012

Alternative Investment Fund (AIF) regulations to cover other asset classes like private equity, private debt, infrastructure, real estate

2014

Real Estate Investment Trusts (REIT) and the Infrastructure Investment Trusts (InvIT) Regulations helped formation of listed alternative vehicles to buy operating infrastructure and real estate assets

2021

Framework for accredited investors

2022

Guidelines for large value funds for ease of investment by institutional investors





## Evolution of Alternatives in India

### Growth of Alternative Funds in India

The alternative asset management industry in India has grown by nearly twenty times since 2005 to over US\$ 80 bn in 2022.

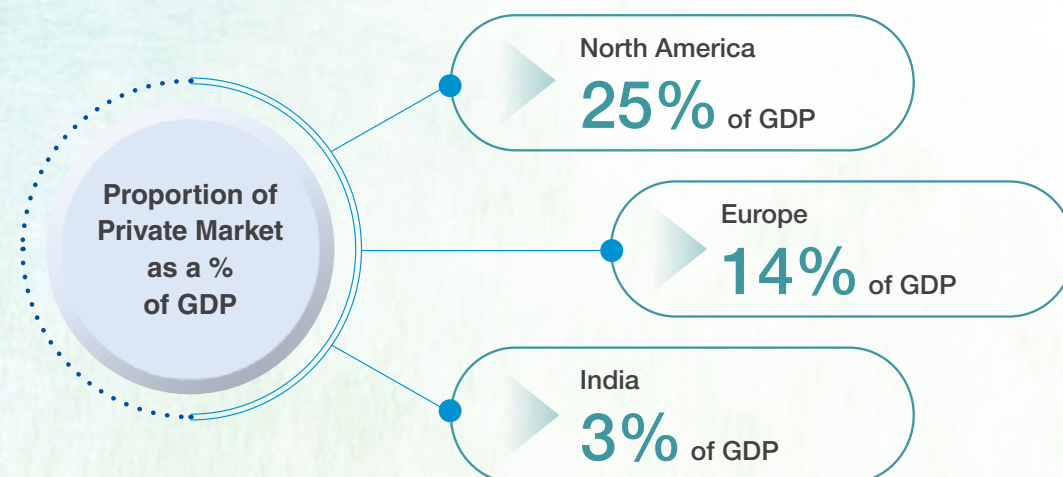


### InvITs and REITs are also Finding Flavour

India is currently witnessing a strong growth in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) which allow investors to invest in operating infrastructure and real estate assets and deliver the cash flows from these underlying investments as yields to investors. As of March 31, 2023, India had 16 InvITs and 3 REITs which are listed, having an Enterprise Value of ~US\$ 55 bn and ~US\$ 11 bn, respectively.

### Indian Alternatives – Estimated Growth to US\$ 450 bn Over the Next Decade

Private Market AUMs constitute approximately 25% and 14% of GDP in the US and Europe, respectively. However, in India, they account for only 3% of GDP.



### Share of Alternative Funds in Pooled Investments May Increase

In India, the share of alternatives as a percentage of total pooled investments stands at 15% compared to the United States and Europe, where the number is at 33% and 37%, respectively. It is evident from this data, that there is great potential for alternatives to grow in India as an asset class and attract more investor capital as the economy matures. This growth is expected to be precipitated by a confluence of rising income levels, enabling regulation, product-side evolution, and holistic distribution - all factors that are currently aligning well in India.

Source: SEBI, AMFI, EFAMA, SEC, Investment Company Institute; India & Europe data are as of March 2022, US data are as of 3Q2021; INR figures converted at INR/US\$ rate of December 30, 2022

Considering India's projected economic growth from its current level of US\$ 3 tn to US\$ 7.5 tn over the next 8-10 years and alternative assets growing to 6% of GDP, the estimated industry size could potentially exceed US\$ 450 bn, representing over a five-fold increase from current levels.



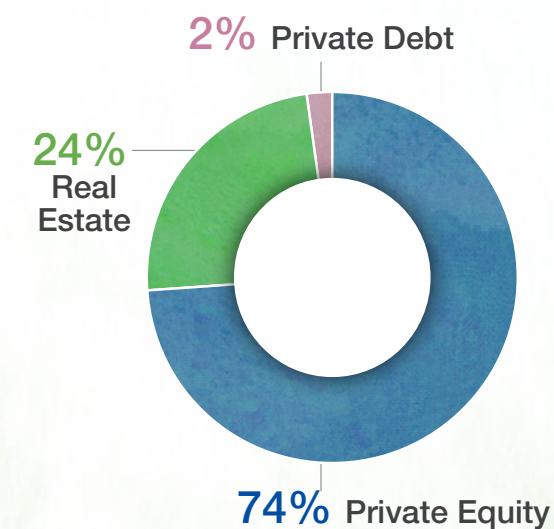
**US\$ 450 bn AUM**  
Estimated size of India's alternatives industry over the next 8 to 10 years

### Private Debt and Infrastructure have Emerged Over the Past Decade

In 2005, private equity and venture capital funds formed almost three fourths of the alternative AUMs in India and real estate in India was an emerging asset class.

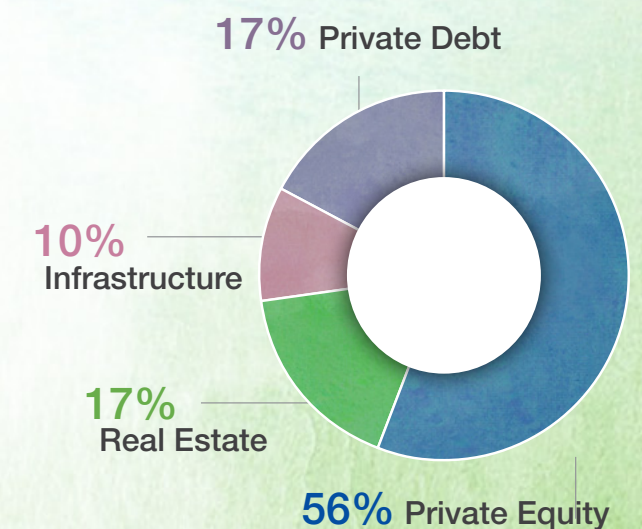
With the advent of the AIF regulations in 2022, private debt, real estate and infrastructure now form ~45% of the alternative AUMs in India.

2005 Asset Class Mix



Source: Preqin

2022 Asset Class Mix



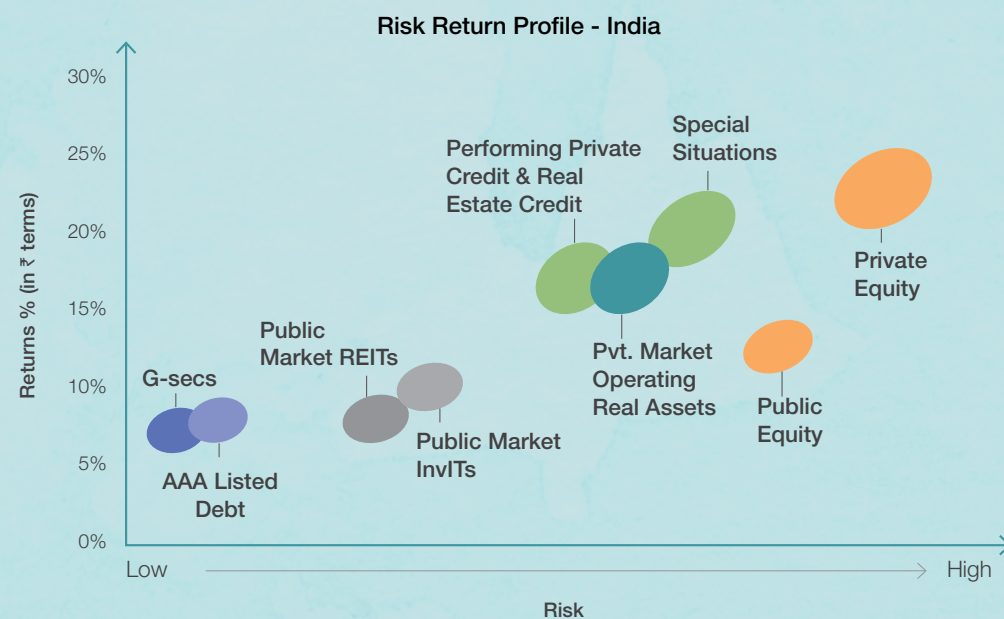


# ALTERNATIVES ACCELERATING GROWTH AND DRIVING OPPORTUNITIES IN INDIA

## Demand Factors

### Attractive Risk Return Profile

In today's investment landscape, where global growth remains tepid, uncertainty is heightened, and interest rates are high, building diversified investment portfolios has become crucial. Alternatives play a significant role in enhancing the risk-adjusted returns of a portfolio, since they typically have a low to zero correlation with traditional asset classes like listed equities and bonds.



As returns from traditional asset classes have declined and equity markets have become more volatile, the allocation to alternatives is increasing.

### Increased Financialisation of Assets

Indian households have been increasing their investments in financial assets. According to the RBI, the share of financial savings has increased from 45% of the total in fiscal 2016 to 52% in fiscal 2021. This money is getting increasingly invested in products like mutual funds, insurance and alternative funds.

### Growth in Wealth and Wealthy\*

India had 12,069 Ultra High Net Worth Individuals (UHNIs) in 2022, and this number is expected to increase to 19,119 by 2027. Similarly, the number of High Net Worth Individuals (HNIs) is anticipated to rise from ~0.8 mn in 2022 to ~1.7 mn in 2027. This shift in wealth distribution will inevitably lead to changes in consumption, spending, saving, and investment patterns. As a result of this evolution, there is a growing need for more sophisticated investment products, such as various alternative products.

### Hedge against Inflation

In a high inflation environment, investors often look for avenues to hedge against inflation. Exposure to real assets, such as toll roads and commercial real estate, can provide an effective solution.

\*the-wealth-report-wealth-populations-10198.pdf (knightfrank.com)

## Supply Factors

### Structural opportunity in private credit

India's credit market is estimated to grow to US\$ 7.5 tn over the next decade, with US\$ 4.5-5 tn of additional credit required by 2032. Banks and NBFCs are transitioning to retail lending, and are constrained in providing capital for M&A, real estate, and to companies which are stressed.

### Need to monetise real assets

Developers aim to monetise their real assets for growth and deleveraging. The Indian Government plans to finance infrastructure development by monetising its infrastructure assets through the US\$ 80 bn National Monetisation Plan.

### Ability to participate in the India growth story

Private equity firms have seized the opportunity to participate in India's growth story and invest in emerging themes such as electric vehicles, media and entertainment, edtech, and clean energy. Private equity investors offer strategic inputs to portfolio companies. The companies are not required to meet regulatory listing norms.

### Thriving startup economy

India's startup economy is thriving, with ~73,000 startups in March 2022 that have created over 700,000 jobs. This growth in startups has led to a rise in demand for venture capital in the country.

Source: <https://bwdisrupt.businessworld.in/article/Future-Of-The-Startup-Boom-In-India/06-03-2023-467879/>



## PROGRESSING WITH PURPOSE...

Edelweiss Alternatives is one of India's leading alternative asset management platforms and has been featured in the Top 100 Global Fund Raisers by PDI for 2021 and 2022. On a path led by our vision, we stay aligned towards our goal of creating value for all our stakeholders.

Headquartered in Mumbai, India, we focus on structural investment opportunities in India across private debt and real assets that can deliver value for our customers. Our diverse customer base comprises global institutional investors - pension funds, insurance companies in North America, Europe, the Middle-East, and Asia-Pacific as well as large family offices and ultra-high net worth individuals based in India.

Whether by creating jobs, enhancing employment, providing homes to mid-income and affordable segments in India, helping the energy transition process through investment in renewable projects or providing improved connectivity for Indians through better roads while improving access to electricity, we continue to steadily progress towards our sustainability commitments.

## Our Vision

**Be the trusted and respected India alternative asset advisor, creating value for all stakeholders**

## DRIVING OUR VISION

### Our Leadership - Executive Committee



**Venkat Ramaswamy**

Venkat Ramaswamy, a seasoned veteran of financial markets, possesses three decades of expertise in the financial sector. With an MBA from Pitts University and a Bachelor's degree in Electronics Engineering, he embodies the perfect blend of technical prowess and business acumen. He drives growth for the Edelweiss Alternatives business through his vision, passion for maintaining high governance standards and strong relationships with global investors.



**Amit Agarwal**

Amit Agarwal, with over two decades of experience in Corporate Credit, Special situation investing and Investment banking, is a core member of Edelweiss' Alternatives business. Over the last 16 years with Edelweiss, he has played a key leadership role in building the Private Credit Alternatives & Asset Reconstruction businesses. He has originated and invested over \$5 billion in capital across these businesses with several large successful exits.



**Harish Agarwal**

Harish Agarwal's career spans over two decades in the Banking, Asset Reconstruction, Special Situation & Risk space. He has been with the Edelweiss Group for over 7 years now, and in his current role is responsible for business strategy, risk, legal and compliance, finance, technology, and operations for Edelweiss Alternatives. Harish is a Chartered Accountant, Company Secretary and holds a Bachelor's Degree in Law (LLB) from Mumbai University.



**Subahoo Chordia**

Mr. Subahoo Chordia is the founding member and has successfully established India's first real assets yield fund around differentiated operating capabilities, international processes and use of appropriate technology. During his total experience of over 22 years, he has executed transactions worth ~USD 7.5 bn and has been part of various leading industry forums/associations.



# Guided by **OUR SHARED VALUES**

**OUR EMPLOYEES ARE GUIDED BY VALUES THAT DEFINE OUR CULTURE**



## **PRUDENCE**

Assess the risks and rewards before taking any action or decision



## **RESPONSIBILITY**

Doing business in a sustainable manner for a better future



## **INTEGRITY**

Conduct our business honestly and with transparency, adhering to the law in both letter and spirit



## **DEPENDABILITY**

Consistent and collective in our efforts and take ownership of everything we do



## **EQUITY**

Fair to all and will respect diversity in thoughts, opinions and expressions

# ...ACHIEVING OUR VISION



## **Offering our clients a diverse suite of alternative investment products**

We connect our customers with structural and secular investment opportunities in India, suitable for long-term patient capital.

In FY 2022-23, we launched AnZen - our diversified energy InvIT. It provides returns in the form of yields and capital gains through investments in stabilised assets like transmission lines and renewable power plants.

We are looking at raising capital for a rental yield fund - an adjacency to our infra yield strategy. We are also evaluating to launch a climate transition fund - our next step towards making sustainable investments.



## **Delivering superior risk-adjusted returns while focussing on capital preservation across market cycles**

Our in-house team of 60+ investment professionals provides us access to sponsors, developers, companies and financial institutions.

Our ability to craft bespoke solutions helps to create win-win outcomes for our customers and portfolio companies. Capital preservation in our credit strategies is through stringent covenants, exclusive collateral access, and watertight legal documentation.

In our infra yield strategy, we focus on assets with minimal counterparty risk and low operational costs.



## **Providing customised solutions to investee companies across capital structures**

Long term sustainability of our business hinges upon offering win-win solutions for investee companies and customers.

To achieve this, we rely on our in-house investment and legal teams, which possess an in-depth understanding of legal and regulatory landscape. We span the entire credit spectrum and make investments across diverse sectors.

This enables us to effectively address the capital requirements of companies through a wide range of situations.



## **Leveraging technology to deliver enhanced outcomes for all stakeholders**

Leveraging technology to enhance efficiency, effectiveness, and customer experience are critical for business success.

Our domestic investors now benefit from online onboarding and customer reporting. In our infrastructure portfolio we do a remote monitoring of our assets through a central control room and drones.

By embracing technology for predictive and proactive maintenance, we have reduced downtime, contributing to optimised operations.



## **Attracting, nurturing, and harnessing best-in-class talent**

Alternatives is a people's business. We attract top talent through campus hiring at premier management institutes, references and by engaging consultants.

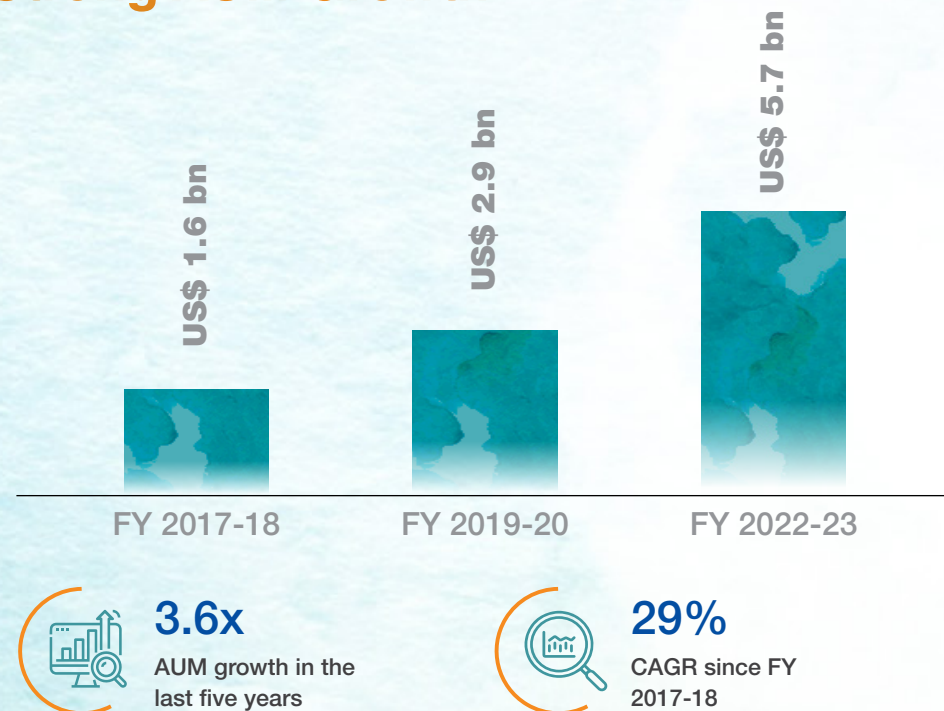
To harness this exceptional talent pool, we have established multi-functional leadership groups to provide solutions on organisation-level issues.

Mentoring and regular learning programmes help to address the development needs of our employees. Various employee engagement activities help to foster a culture that embodies our core values.

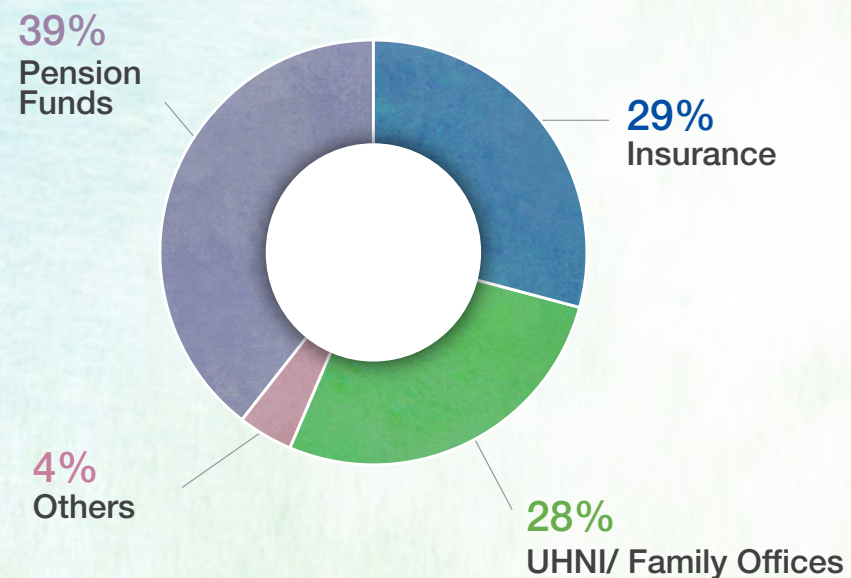


## EDELWEISS ALTERNATIVES BUSINESS SNAPSHOT

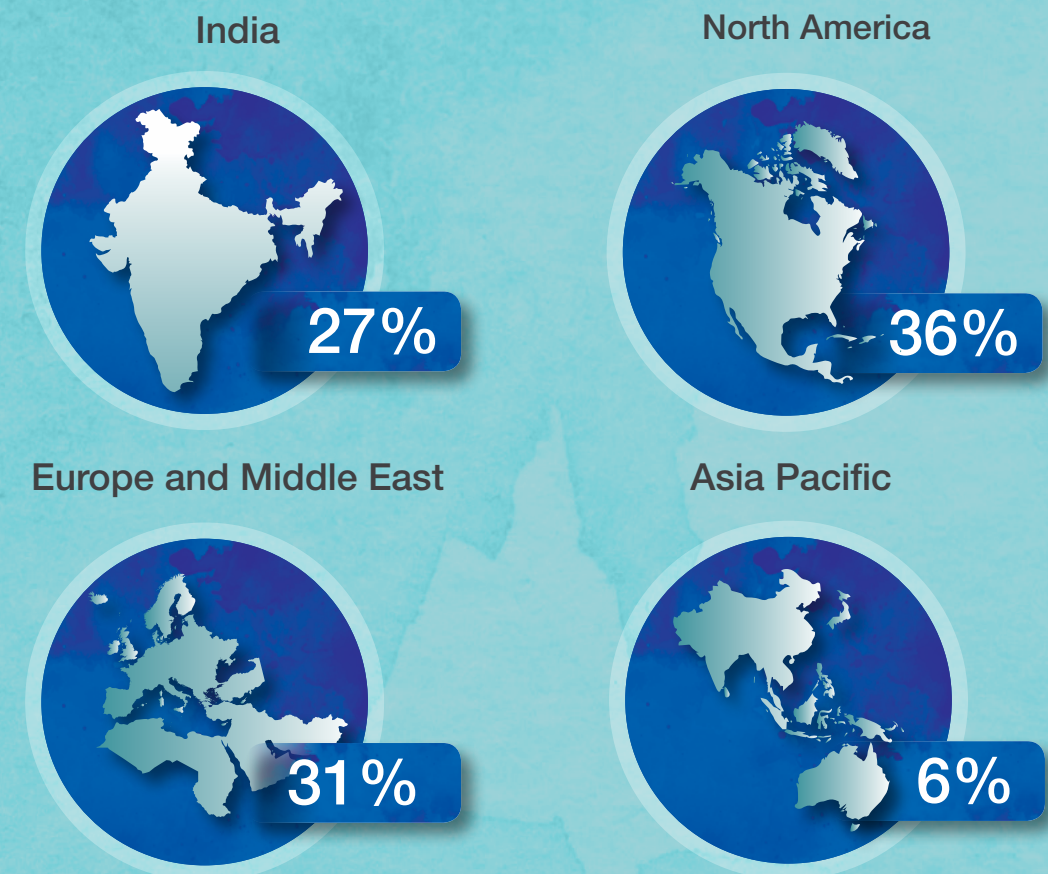
### Strong AUM Growth



### AUM Share by Investor Type

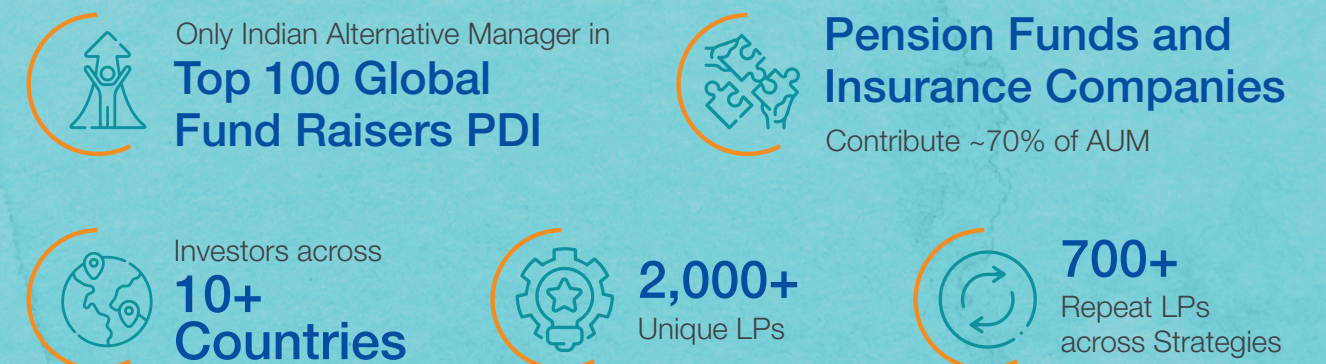


### AUM Share Geography-wise



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

### Earning Investor Trust





## OUR STRATEGIES POWERING OUR SUCCESS

At Edelweiss Alternatives, each of our strategies focus on large structural investment opportunities in India that are suitable for long-term patient capital.

### PRIVATE DEBT

Through our private debt platform we offer structured credit solutions to corporates, projects or sponsors, that are relatively underserved by traditional credit providers, for their growth, completion and revival.



**Special  
Situations**



**Performing  
Credit**



**Real Estate  
Credit**

### REAL ASSETS

Through our real assets platform we invest in, operate and manage quality infrastructure assets with low counterparty risk, long residual tenures and low operating costs.



**Infrastructure  
Yield**



## Special Situations

Primary or priority financing to companies for special situations or buying out stressed debt of banks and non-banks in India.

### Opportunity

Traditional lenders face constraints in providing capital to certain sectors like real estate, special situations like M&A or for revival of stressed companies due to sector and end-use restrictions. Banks and non-banks are also looking to resolve their stressed assets, enhance capital, and manage their asset-liability mismatches. We estimate an addressable opportunity of ~US\$ 25-30 bn over the next five years.

### Performance data



**₹ 138 bn**  
Amount  
Invested



**₹ 127 bn**  
Amount  
Realised



**61**  
Investments



**28**  
Exits

\*as on March 31, 2023

### Impact

The strategy is focussed on revival and turnaround of companies, thereby helping in saving and creating jobs.



### Case Studies

The fund bought out debt of an annuity road asset with an operating history of 8-10 years which had become stressed due to the IL&FS crisis and non-payments from the State Government. We have driven resolution by strategising with other lenders and the overdue debt has been cleared.

The fund provided primary financing for one-time settlement with its lenders for a pharma company manufacturing key APIs. Our asset management expertise helped in the turnaround of the company through an improvement in utilisation levels and financial performance of the company.





## Performing Credit

- Bespoke solutions to investee companies / promoters for growth, mergers & acquisitions or stake enhancement.

### Opportunity

Indian companies and promoters have diverse credit requirements that conventional lenders like banks and NBFCs are unable to meet. This creates an opportunity for private debt providers like us to provide non-dilutive capital at lower costs compared to private equity. As per our estimates, an addressable opportunity of US\$ 20-25 bn exists over the next five years for such bespoke financing solutions.

### Impact

The strategy focuses on providing growth capital to companies, thus helping to create jobs.



#### Case Studies

The fund invested in the debentures of an iron and steel company for carrying out capital expenditure and to meet working capital needs. We also financed the acquisition of a company in a related space through an additional investment.

The Fund invested in the holding company of the group that owns a majority stake in a leading airport operator in the country, which was looking to refinance a portion of its debt.

### Performance data



**₹ 65 bn**  
Amount Invested



**₹ 61 bn**  
Amount Realised



**43**  
Investments



**30**  
Exits



## Real Estate Credit

- Provide structured credit to real estate developers for construction and completion of their residential real estate projects

### Opportunity

The Indian real estate market presents a compelling investment opportunity owing to rising urbanisation, a growing middle class, increasing incomes, and a shortage of around 19 mn urban houses. The sector is in the midst of a recovery post COVID, with declining inventory levels and affordability near decadal highs. Institutionalisation of the sector through initiatives like Goods and Services Tax, Real Estate Regulatory Authority (RERA), and National Company Law Tribunal (NCLT) has also helped boost investor confidence. Top 5 cities in India witness an absorption of 250-300 mn sq ft of residential real estate annually creating an estimated opportunity of US\$ 25-30 bn over the next five years.

### Performance data



**~₹ 52 bn**  
Amount Invested



**₹ 29 bn**  
Amount Realised



**41**  
Investments



**14**  
Exits

### Impact

The strategy focuses on providing capital for construction and completion of mid-income and affordable homes.



#### Case Studies

We invested in a mid-sized Mumbai-based developer with a good track record of executing real estate projects for construction of residential development project under the Slum Rehabilitation Authority (SRA) scheme. The project consists of 650+ mid-income houses across two phases.

The Fund invested for providing completion finance to a Mumbai-based project. Approvals for the project are in place and it is well on track. The project comprises 300+ mid-income houses in the first phase.





## Infrastructure Yield

Invest in quality infrastructure assets with strong counterparties, long residual life and low operating costs for consistent yields and capital gains.

Ability to add value to the assets through the use of technology and an in-house asset management team.

### Opportunity

India's core infrastructure presents a substantial opportunity, with infrastructure assets set to reach ~US\$ 2.5 tn in the next 3-4 years from ~US\$ 1 tn currently. Ownership is fragmented, with over 80 contractors owning 67% of roads and 120 sub-scale players holding 45% of renewable projects. Developers are adopting a build and sell model to recycle capital for growth. India's US\$ 80 bn National Monetisation Plan adds to the potential opportunity. We estimate a potential addressable market opportunity of US\$ 75-100 bn for equity investment in core infrastructure.

### Impact

Improved road and electricity connectivity and helping in India's energy transition goals.



### Case Studies

The fund acquired inter-state transmission lines from an Indian group looking to reduce debt. Post-acquisition, the fund improved cashflows, and reduced the downtime. The fund also achieved an exit in this investment thus helping to realise value.

We have signed a deal to acquire the portfolio assets of an engineering and construction major in the country. The portfolio comprises eight roads spanning 4,900 lane kms and one 960 ckm power transmission asset.

### Performance data



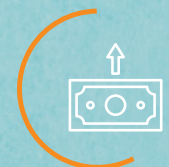
**~₹ 150 bn**  
Enterprise Value of Assets\*



**27**  
Number of Assets\*



**14**  
Number of states



**~₹ 18 bn**  
Value Realisation

\*Includes invested and signed deals as of March 31, 2023



# GENERATING VALUE THROUGH OUR INVESTMENTS

## Value Creation

At Edelweiss Alternatives, we specialise in identifying unique investment opportunities and create value for our customers. Our 60+ member on the ground investment teams help to generate proprietary deal flow across our strategies.



**~70%**

Of invested deals are sourced directly by investment teams\*

Identification of unique investment opportunities and bespoke solutions for our portfolio companies helps us to create value for our customers.

## Value Enhancement

At Edelweiss Alternatives, our asset management and operating team of over 100 members, combined with our utilisation of technology, plays a crucial role in enhancing the value of our investment portfolios.



\*Data from 2015 - till date

## Completion of a real estate project in Mumbai through priority funding

We provided priority financing to a prominent mixed-use real estate project located in the heart of Mumbai. The project faced delays due to frequent changes in project configuration, construction setbacks caused by legal issues with Municipal authorities, and non-disbursement of balance commitments from banks. Our investment enabled the project's completion. Sales have picked up in the project since the last two quarters and debt servicing for our priority funding is on track.



## Turnaround of a leading paper manufacturer in India

We invested in one of India's largest writing and printing paper manufacturers facing financial distress due to poor investment decisions, an over-leveraged balance sheet, and under-utilisation of capacity. We undertook a debt restructuring initiative and granted a moratorium to facilitate the normalisation of working capital. With our asset management team, we could help in the turnaround of the company with EBITDA growing from ₹ 47 mn in FY 2016-17 to ~₹ 16,350 mn in FY 2022-23.

## Efficiency improvement in our solar assets through use of technology

Our energy asset operations are remotely monitored from our Central Control & Analytics Centre in Mumbai. This regular monitoring along with our asset management and operations team helps us in proactive and predictive maintenance of these assets. This improves overall productivity & helps create positive outcomes for our portfolio.





# EMBRACING RESPONSIBILITY

## ALIGNING PRACTICES WITH PRINCIPLES

At Edelweiss Alternatives, we thrive on blending sustainability into every stage of our investment journey. Our strategic framework incorporates both risks and rewards, enabling us to make conscientious and prudent decisions. We demonstrate our unwavering commitment to responsible investments as signatories to the United Nations Principles for Responsible Investment (‘PRI’).



In January 2023, we became a signatory of the UNPRI

At Edelweiss Alternatives, our commitment to responsible investing goes beyond mere rhetoric. We have established a strong framework consisting of four operational pillars that infuse ESG principles into all our activities.

**Human Rights**

We firmly prioritise investing in enterprises that uphold human rights and refrain from supporting companies involved in the exploitation of child or forced labour.

**Planet and People**

We address environmental concerns, public health and safety, and social issues related to our investee companies. Our investment approach is centered around sustainability and the well-being of communities, reflecting our commitment to long-term value creation.

**Zero Tolerance for Corruption**

We actively promote policies within our portfolio companies that discourage corruption and bribery, fostering a culture of integrity and transparency.

**Labour Laws Adherence**

We ensure adherence to relevant national, state, and local labour laws in India, while also prioritising a safe work environment. Our dedication to the well-being of our workers remains steadfast and resolute.

## Our ESG Policy: Our Commitment

At the core of our operations is a seamless synergy between our business strategy, investment practices, and transparent disclosures. This is made possible by our ESG policy framework, which acts as our guiding compass. It not only steers us towards integrating ESG factors into our investment philosophy, but also reflects our unwavering commitment to the principles upheld by the UN Global Compact (UNGC) and UNPRI.

Our ESG policy framework stands as a powerful testament to our resolute dedication to a diverse range of stakeholders, reaffirming our commitment to local, national, and international norms and frameworks. By adhering to these principles, we ensure that our business resonates with the expectations and aspirations of the global community, forging a sustainable and all-inclusive path forward.

We identify, monitor, and assess any ESG-related risks associated with our investment through our investment stages.





## Governance

The longevity of our business model rests on the integration of impactful ESG practices. To achieve this goal, we embrace a robust ESG governance framework, which is at the heart of our decision-making processes and policy formulation. Our dedication to this endeavour is evident through the creation of a resilient governance structure that oversees all ESG-driven initiatives and enhances our monitoring and reporting mechanisms, benefitting our relevant stakeholders.

Leading our ESG initiatives is our ESG Governing Council, which provides strategic guidance and conducts assessments of our impacts, risks, opportunities, and performance. This council ensures that our activities remain in line with our sustainability objectives, reinforcing our pledge to responsible practices and cultivating a mutually beneficial relationship with all stakeholders.

### ESG Governing Council



- **Composition:** Our Governing Council consists of senior management of the Edelweiss Group and key managerial personnel of Edelweiss Alternatives.
- **Evaluating different practices:** Sharing best practices of national as well as international peers to guide and influence our ESG practices.
- **Planning for future:** Planning our ESG activities.
- **Periodic review:** Conducting a periodic review to enhance our ESG practices.

### ESG Task Force



- Identifying, monitoring, and resolving key ESG issues.
- Developing and implementing internal tools and resources to promote awareness and understanding of ESG in the organisation.
- Guiding and institutionalising the integration of ESG considerations in the investment process and across the organisation.

## Creating Sustainable Impact

~23.1 mn tonnes of estimated carbon emissions saved over the life of our solar assets portfolio

Helped in construction of ~26,000 mid-income and affordable houses

~25,000 jobs saved through investment in stressed companies

Over 26 mn litres of water saving estimated annually through robotic cleaning of solar panels

## Safety Awards for our Infrastructure Assets

Assets from our infrastructure portfolio have earned national and international awards in recognition for their steadfast commitment to safety. These accolades serve as a testament to our unwavering commitment to fostering a secure and healthy workplace for both, employees and visitors. We have implemented a robust Safety, Health and Environment Policy across assets which encompasses all aspects.

To reinforce safety measures, we have implemented life-saving safety protocols, reinforced by a state-of-the-art digital application. This innovative tool enables seamless incident reporting, diligent monitoring, and prompt resolution, ensuring that safety remains paramount across our operations.





## Case Studies

### Water conservation through robotic cleaning



In our endeavour to optimise resources without compromising asset viability, our asset management team undertook a pilot exercise to explore the feasibility of replacing water cleaning with dry cleaning in our 140 MW solar asset in Rajasthan.

Our engineers performed an assessment of the module structures for the 18 MW portion. They identified and implemented a new and simplified dry cleaning solution developed in India. This innovative approach has led to an annual saving of over 26 mn litres of water (~92% reduction in consumption), freeing up water resources for other applications in the arid desert. Additionally, this has resulted in a slight enhancement of power generation.

Inspired by these positive outcomes, our teams are now working towards gradually implementing similar solutions across our portfolio. This progressive approach is expected to yield significant water savings while actively contributing to the cause of water conservation, ensuring sustainable operations for our investments.

Our innovative dry cleaning solution resulted in annual water savings of over 26 mn litres for an asset in the arid desert of Rajasthan.

### Reduction in Carbon Emissions through our Solar Assets

We have acquired a portfolio of 12 solar assets in the year 2021 with a capacity of 813.45 MWp. The solar assets are spread across the five states - Punjab, Rajasthan, Telangana, UP and Andhra Pradesh. The assets had a residual life of ~22 years at the time of acquisition. We have estimated a carbon displacement of ~23.1mn tonnes

During the asset acquisition process of our portfolio company, we have also identified an opportunity to obtain and monetise Certified Emission Reductions (CERs). One of the assets was registered under the United Nations Framework Convention on Climate Change (UNFCCC)'s Clean Development Mechanism (CDM) in 2013. After acquiring the asset, we diligently fulfilled all requirements and documentation required for CER issuance. This included addressing legacy data gaps, demonstrating additions to the baseline, conducting site visits, and verifying data through Independent Auditors. Our efforts resulted in the issuance of 58,253 CERs under the CDM programme 'National Solar Power Development Programme, India' (6328) by the UNFCCC. As part of our ongoing efforts, we are currently in the process of completing formalities and seeking credits issuance under the GCC programme for other assets within our solar energy portfolio.



## 23.1 mn tonnes

Reduction in Carbon Emissions over the life of our solar assets





## CONSISTENT PERFORMANCE TRANSLATING INTO INVESTOR TRUST

### Business Snapshot

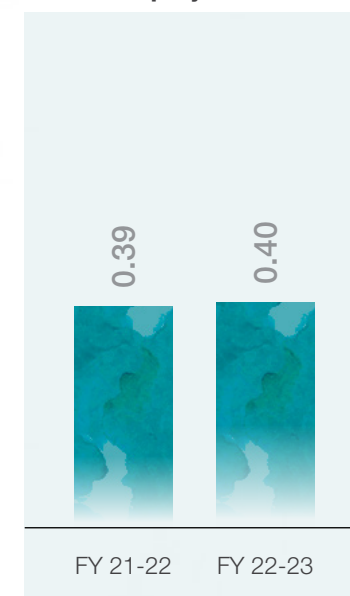
Total Income



Net Worth



Debt to Equity ratio



### FY 2022-23 Performance



**~₹ 140 bn**  
Commitments  
Raised



**~₹ 86 bn**  
Total  
Realisations



**~₹ 70 bn**  
Total  
Deployment

### Consistent performance showcased during the last 5 years



**₹ 314 bn**  
Funds Raised  
over 5 Years



**₹ 235 bn**  
Realisation  
over 5 Years



**₹ 218 bn**  
Deployment  
over 5 Years

\*All the updates are as on March 31<sup>st</sup>, 2023



**₹ 465 bn**  
Assets under  
management



**60+**  
No. of investment  
professionals



**4**  
No. of investment  
strategies



**100+**  
Asset management &  
operating team



**~200**  
Employees



# Statutory Reports

Corporate Identity Number: U67190MH2008PLC182205

## FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

### BOARD OF DIRECTORS

Mr. Sushanth Nayak  
Ms. Priyadeep Chopra  
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

### CONTACT DETAILS OF THE DEBENTURE TRUSTEE:

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

### CONTACT DETAILS OF THE REGISTRAR AND TRANSFER AGENT:

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

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



## Board's Report

To the Members of

### Edelweiss Alternative Asset Advisors Limited,

The Directors present their 15th 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, 2023:

### FINANCIAL SUMMARY/ HIGHLIGHTS

	(₹ in mn)	
Particulars	FY 2022-2023	FY 2021-2022
Total income	2,763.34	2,159.80
Total Expenses	1,808.98	1,653.94
Profit/(Loss) Before Tax	954.37	505.86
Tax Expenses/(Benefit)	172.10	16.54-
Profit/(Loss) for the year	782.27	489.32
Other Comprehensive Income		
Re-measurement gain on defined benefit plans	0.68	(5.21)
Income tax relating to items that will not be reclassified to profit or loss	(0.17)	1.31
Total Comprehensive Income	782.78	485.42

### OPERATIONS

The brief on state of business of the Company during the year under the review is included in the Statement of Affairs of the Company section of the report.

### INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

During the year ended March 31, 2023, the Company earned the revenue of ₹ 2,763.34 mn as against ₹ 2159.80 mn during the previous year. The Company earned the profit of ₹ 782.27 mn during the year ended March 31, 2023 as against ₹ 489.32 mn during the previous year.

### SHARE CAPITAL

The authorised share capital of the Company is ₹ 23,00,00,000/- comprising of 2,30,00,000 Equity Shares of ₹ 10/- each and issued, subscribed and paid-up share capital of the Company as on March 31, 2023 is ₹ 12,37,47,370/- consisting of 1,23,74,737 Equity Shares of ₹ 10/- each.

### DIVIDEND

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

### DEPOSITS

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

### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

### RISK MANAGEMENT & INTERNAL FINANCIAL CONTROL

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

The Board of Directors confirms that your Company has laid down set of standards, processes and structure which enables to implement Internal Financial controls across

### Board's Report (Contd.)

the organisation with reference to Financial Statements and that such controls are adequate and are operating effectively. During the year under review, no material or serious observation has been observed for inefficiency or inadequacy of such controls.

### SUBSIDIARIES

During the year under review, companies listed below have become the Company's subsidiaries:

- Edelweiss Real Assets Managers Limited;
- Sekura India Management Limited; and
- Edelweiss Alternative Asset Advisors Pte Limited.

A statement providing details of performance and salient features of the financial statements of the above mentioned Subsidiary companies, as per Section 129(3) of the Act, is provided as Annexure A to the consolidated financial statement and therefore, not repeated in this Report to avoid duplication.

The audited financial statement including the consolidated financial statement of the Company and all other documents required to be attached thereto is available on the Company's website and can be accessed at [www.edelweissalternatives.com](http://www.edelweissalternatives.com).

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### 1) APPOINTMENT

Ms. Priyadeep Chopra (DIN: 00079353) was appointed as an Additional Director of the Company with effect from March 24, 2023.

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

#### 2) RESIGNATION

Ms. Kamala Kantharaj (Non-Executive Director) ceased to be the Director of the Company w.e.f. January 17, 2023.

#### 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

At the ensuing Annual General Meeting, there are no Directors liable to retire by rotation and due for retirement or reappointment.

### DECLARATION FROM INDEPENDENT DIRECTORS

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

### BOARD AND COMMITTEE MEETINGS

#### Board

During the FY 2022-23, 6 (Six) meetings of the Board of Directors were held.

#### Audit Committee

As on date of this report, the Audit Committee consists of Mr. Kanu Doshi, Mr. Sunil Phatarphekar and Ms. Priyadeep Chopra.

During the year under review, 5 (Five) meetings of the Committee were held.

#### Nomination and Remuneration Committee

As on date of this report, the Nomination and Remuneration Committee consist of Mr. Kanu Doshi, Mr. Sunil Phatarphekar and Ms. Priyadeep Chopra.

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

#### Independent Directors Meeting

During the year under review, 1 (One) meeting of Independent Directors 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,



*Board's Report (Contd.)*

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.

**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.

**STATEMENT OF AFFAIRS OF THE COMPANY:**

The Company is a 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 and (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.

During the year under review, Fee income from the business of investment management was ₹ 2,296.38 mn for the financial year ended March 31, 2023 as compared to ₹ 2,016.96 mn for the previous financial year. The earnings per share of the Company were ₹ 41.27 per share for the financial year ended March 31, 2023 as compared to ₹

25.96 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 FY 2022-23.

Based on the Profits for the FY 2022-23, 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 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 of the Company, has been placed 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 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 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

*Independent Auditors' Report (Contd.)*

- (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 ₹ 253.4 mn (previous year ₹ 323.61 mn) and ₹ 5.20 mn (previous year ₹ 4.92 mn) respectively.

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)**

The Company is committed to integrate ESG in its business strategy and investment procedures, through a Responsible Investing approach. To reaffirm this commitment, we became signatory to the United Nations-supported Principles for Responsible Investment ("PRI"). We have developed a customised ESG Policy framework which is guided by the principles of the UN Global Compact (UNGC) and UNPRI. We have been publishing the ESG Reports in FY20, FY21 & FY22 and will continue to publish it every year. Four of the assets in the Infrastructure Yield portfolio have received the British Safety Council, International Safety Award 2023 this year. We are fully committed to contribute to India's clean energy transition and our funds invested ~120 mn USD till date towards renewable energy assets. Our Funds have invested ~300 mn USD in stressed assets in FY 2022-23 that helps to free up capital of banks/non-banks and / or helps in revival of companies. Over 3 mn litres of water is expected to be saved annually through robotic cleaning of the solar panels and rainwater harvesting systems in our portfolio entities. Our solar asset has issued ~58,000 CERs by UNFCCC under CDM programme of activities "National Solar Power Development Programme, India".

**AUDITOR'S REPORT**

The Auditor's Report on Audited Financial Statements for the Year ended March 31, 2023 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**

In accordance with provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder (the Act), M/s. GMJ & Co., Chartered Accountants were appointed as the Auditors of the Company at the 10th Annual General Meeting (AGM) held in the year 2018 to hold office till the conclusion of 15th Annual General Meeting of the Company to be held in the year 2023.

Therefore, in accordance with the provisions of Section 139 of the Act, the Board has recommended re-appointment of M/s. GMJ & Co., Chartered Accountants as the Auditors of the Company, for the approval of the members at the ensuing AGM. M/s. GMJ & Co., Chartered Accountants have confirmed their eligibility to act as the Auditors of the Company.

A resolution for re-appointment of M/s. GMJ & Co., Chartered Accountants as the Auditors of the Company will be placed for the approval of the members at the forthcoming AGM.

**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 2022-23.

**EMPLOYEES**

The Company recognises that human capital is the key to success and growth in the Company's business. As on March 31, 2023, the Company has 166 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, 2023 and of the profit of the Company for the financial year ended on that date;



## Independent Auditors' Report (Contd.)

## Annexure A

- (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.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

**COST RECORDS**

The Company is not required to maintain cost records as specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013.

**ACKNOWLEDGEMENTS**

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

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

**Priyadeep Chopra**  
Director  
DIN: 00079353

Date: May 15, 2023

**FORM AOC 1**

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs)

1	SI. No.	1	2	3
2	<b>Name of the subsidiary</b>	Edelweiss Real Assets Managers Limited	Sekura India Management Limited	Edelweiss Alternative Asset Advisors Pte Limited
3	<b>Reporting period for the subsidiary concerned, if different from the holding company's reporting period</b>	-	-	-
4	<b>Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries</b>	-	-	SGD ₹ 61.81/SGD
5	<b>Share capital</b>	6,20,000	5,00,000	44,66,44,618
6	<b>Reserves &amp; surplus</b>	11,13,06,843	3,88,43,360	2,54,01,96,298
7	<b>Total assets</b>	12,11,03,293	6,11,21,620	4,88,44,56,452
8	<b>Total Liabilities</b>	91,76,450	2,17,78,260	1,89,76,15,536
9	<b>Investments</b>	-	-	3,70,11,08,104
10	<b>Turnover</b>	2,47,22,301	22,53,74,858	4,41,23,47,915
11	<b>Profit before taxation</b>	78,884	5,17,47,782	2,39,91,27,479
12	<b>Provision for taxation</b>	-	1,30,43,140	17,46,792
13	<b>Profit after taxation</b>	78,884	3,87,04,642	2,40,08,74,271
14	<b>Proposed Dividend</b>	-	-	-
15	<b>% of shareholding</b>	100%	100%	Class A shares: 100%, Class B shares: 95%

**Notes:**

- Names of subsidiaries which are yet to commence operations - None
- Names of subsidiaries which have been liquidated or sold during the year - None



## Annexure B

### 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 mn)

#### 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								

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

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any ( in mn)	Date of approval by the Board	Amount paid as advances, if any
1.						

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

**Sushanth Nayak**                      **Priyadeep Chopra**  
Whole Time Director                  Director  
DIN: 02857645                          DIN: 00079353

Date: May 15, 2023

## Annexure C

### 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:

- the level and composition of remuneration is reasonable and sufficient to attract and retain talent required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to the Directors, KMPs and senior management comprises a balance fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

#### Remuneration of the Independent Directors & Non-executive Directors

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

#### Remuneration of the Managing Director and Executive Directors

- The remuneration of the Managing Director/Executive

Directors is recommended by the Nomination and Remuneration Committee ('the NRC') to the Board. Based on the recommendations of the NRC, the Board determines and approves the remuneration of the Managing Director/Executive Directors, subject to necessary approvals, if any.

- The remuneration paid to the Managing Director/ Executive Directors is within the limits prescribed under the Act and approved by the shareholders of the Company. The remuneration structure includes fixed salary, perquisites, bonus, other benefits and allowances and contribution to Funds, etc.
- The Managing Director/Executive Directors shall be eligible for stock options of the Company or a holding company.

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

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

#### Performance Management Process

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

#### Edelweiss Code of Conduct and the Guiding Principles

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

#### Policy Review

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



# Financial Statements

Corporate Identity Number: U67190MH2008PLC182205

## Independent Auditors' Report

To the Members of Edelweiss Alternative Asset Advisors Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### OPINION

We have audited the accompanying standalone Ind AS financial statements of Edelweiss Alternative Asset Advisors Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### BASIS FOR OPINION

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are

independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

#### KEY AUDIT MATTERS

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

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



*Independent Auditors' Report (Contd.)*

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

**OTHER INFORMATION**

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

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

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

**MANAGEMENT'S RESPONSIBILITIES FOR THE STANDALONE IND AS FINANCIAL STATEMENTS**

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

*Independent Auditors' Report (Contd.)*

that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing

our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether standalone the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



## Independent Auditors' Report (Contd.)

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in

accordance with the provisions of section 197 read with Schedule V to the Act;

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 64(ix) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiary") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiary;
    - b) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the note 64(ix) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in

writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the period by the Company
  - (i) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining

books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**Haridas Bhat**  
Partner  
Membership No.:39070  
UDIN: 23039070BGTUUI5229

Place: Mumbai  
Date: May 15, 2023



## Annexure A to the Auditors' Report

**The Annexure referred to in our Independent Auditors' Report to the members of Edelweiss Alternative Asset Advisors Limited ('the Company') on the financial statements for the year ended March 31, 2023, we report that:**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all the property, plant and equipment are verified in a phased manner over a period of three years. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, there is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), held by the Company and accordingly, the requirement to report under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year ended March 31, 2023.
- (e) According to the information and explanations given by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii)(a) of the Order are not applicable to the Company.
- (b) The Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) (A) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to its subsidiaries, joint ventures and associates.
- (B) During the year, the Company has not provided loans aggregating to companies other than its subsidiaries, joint ventures and associates Further as per the information and explanations given to us by the management, the Company has not granted advances in nature of loans or given any guarantee or provided any security during the year to parties other than its subsidiaries, joint ventures and associates.
- (b) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, the investments made and the terms and conditions of the grant of all loans and advances in the nature of loans during the year to companies and other parties are not prejudicial to the Company's interest. Further as per the information given by the management the Company has not provided any guarantees or not given any security.
- (c) The Company has granted loans and advances in the nature of loans during the year to companies, firms, limited liability partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) According to the information and explanations given by the management and on the basis of our examination of the records of the Company, there are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

## Annexure A to the Auditors' Report (Contd.)

- (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.



## Annexure A to the Auditors' Report (Contd.)

- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the private placement of compulsory convertible debentures respectively during the year. The funds raised, have been used for the purposes for which the funds were raised
- (xi) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, during the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) Based on our examination, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given by the management, the Group has one Core Investment Company as part of the Group.
- (xvii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

## Annexure A to the Auditors' Report (Contd.)

- (xix) On the basis of the financial ratios disclosed in note 60 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no unspent amounts in respect of other than ongoing projects, that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) According to the information and explanations given to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- (xxi) The Report is part of standalone financials of the Company hence the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.
- For GMJ & Co.**  
Chartered Accountants  
Firm Registration No. 103429W
- Haridas Bhat**  
Partner  
Membership No.:39070  
UDIN: 23039070BGTOUI5229
- Place: Mumbai  
Date: May 15, 2023



## Annexure B to the Auditors' Report

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

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of Edelweiss Alternative Asset Advisor Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Annexure B to the Auditors' Report (Contd.)

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **OPINION**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting

with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For GMJ & Co.**

Chartered Accountants  
Firm Registration No. 103429W

**Haridas Bhat**

Partner  
Membership No.:39070  
UDIN: 23039070BGTOUI5229

Place: Mumbai  
Date: May 15, 2023



## Standalone Balance Sheet

(Currency: Indian rupees in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	7	1,847.54	85.53
Other intangible assets	7	84.85	102.05
Intangible assets under development	8	-	6.40
Financial assets			
(i) Bank balances other than cash and cash equivalents	9	274.24	-
(i) Investments	10	52,491.15	10,989.79
(ii) Other financial assets	11	179.35	12.20
Current tax assets (net)	12	28.55	1,128.15
Other non current assets	13	24,993.53	4,416.87
		79,899.21	16,740.99
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Cash and cash equivalents	14	14,535.38	466.02
(ii) Bank balances other than cash and cash equivalents	15	135.86	110.56
(iii) Trade receivables	16	6,883.04	5,902.10
(iv) Investments	17	3,263.62	5,741.45
(v) Loans	18	3.10	1,111.29
(vi) Other financial assets	19	653.63	458.83
Current tax assets (net)	20	-	421.74
Other current assets	21	2,153.10	1,007.93
		27,627.73	15,219.92
<b>TOTAL ASSETS</b>		107,526.94	31,960.91
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	22.1	1,237.47	1,237.47
Instruments entirely equity in nature	22.2	34,000.00	11,000.00
Other equity		11,129.78	3,213.17
		46,367.25	15,450.64
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings (other than debt securities)	23	-	5,150.00
(ii) Debt Securities	24	21,169.39	-
(iii) Lease Liability	25	1,549.66	6.20
(iv) Other financial liabilities	26	7,151.81	608.04
Provisions	27	332.91	280.93
Deferred tax liability (net)	28	341.51	58.77
Other non current liabilities	29	75.70	94.41
		30,620.98	6,198.35
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	30	3,190.26	3,336.43
(ii) Debt Securities	31	91.98	-
(ii) Trade payables			
(a) total outstanding dues of small enterprises and micro enterprises	32	1.25	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		17,617.53	2,367.45
(iii) Lease Liability	33	295.57	13.70
(iv) Other financial liabilities	34	6,467.92	3,863.49
Provisions	35	50.63	22.87
Other current liabilities	36	2,823.57	707.98
		30,538.71	10,311.92
<b>TOTAL EQUITY AND LIABILITIES</b>		107,526.94	31,960.91
<b>Significant accounting policies and notes forming part of the financial statements</b>	1-64		

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

**Haridas Bhat**  
Partner  
Membership No: 039070

Mumbai  
May 15, 2023

For and on behalf of the Board of Directors

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

**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

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

**Deepak Mukhija**  
Company Secretary

## Standalone Statement of Profit and Loss

(Currency: Indian rupees in lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>REVENUE FROM OPERATIONS</b>			
Interest income	37	1,649.32	374.36
Revenue from contract with customers	38	22,963.82	20,169.58
Net gain on fair value changes	39	2,756.14	961.39
<b>Total revenue from operations</b>		27,369.28	21,505.33
Other income	40	264.15	91.45
<b>Total Income</b>		27,633.43	21,596.78
<b>Expenses</b>			
Finance costs	41	1,864.46	1,004.52
Impairment on financial instruments	42	(0.20)	(0.25)
Employee benefits expense	43	10,893.71	10,053.19
Depreciation, amortisation and impairment	7	348.21	142.93
Other expenses	44	4,983.58	5,337.81
<b>Total expenses</b>		18,089.76	16,538.20
<b>Profit before tax</b>		9,543.67	5,058.58
<b>Tax expense:</b>	45		
Current tax		1,429.27	-
Deferred tax		281.02	165.40
Short tax for earlier years		10.73	-
Profit for the year		7,822.65	4,893.18
Other Comprehensive Income / (loss)			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		6.83	(52.14)
Income tax relating to items that will not be reclassified to profit or loss		(1.72)	13.12
<b>Other Comprehensive Income</b>		5.11	(39.02)
<b>Total Comprehensive Income</b>		7,827.76	4,854.16
<b>Earnings per equity share (face value ₹10 each):</b>			
<b>Basic</b>	46	41.27	25.96
<b>Diluted</b>	46	41.27	25.96
<b>Significant accounting policies and notes forming part of the financial statements</b>	1-64		

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

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

**Haridas Bhat**  
Partner  
Membership No: 039070

Mumbai  
May 15, 2023

For and on behalf of the Board of Directors

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

**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

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

**Deepak Mukhija**  
Company Secretary



## Cash Flow Statement

(Currency: Indian rupees in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,543.67	5,058.58
Adjustments for		
Depreciation and ammortisation expenses	348.21	142.93
Impairment of financial instruments	(0.20)	(0.25)
Provision for compensated absences	32.62	80.29
Expense on Employee Stock Option Scheme & Stock Appreciation Rights	88.84	480.88
Profit on sale of fixed assets	0.07	(4.43)
Finance cost on lease liability	109.06	2.84
Net gain on fair value changes (Realised & Unrealised)	(2,422.72)	(941.81)
Interest income	(1,649.32)	(374.36)
Finance cost	1,658.70	713.88
<b>Operating cash flow before working capital changes</b>	<b>7,708.93</b>	<b>5,158.55</b>
Add / (less): Adjustments for working capital changes		
Increase in trade receivables	(980.94)	(5,294.60)
(Increase)/Decrease in loans and advances	(3.10)	26.07
Increase in other financial assets	(361.94)	(85.32)
Increase in other non current assets	(20,576.66)	(912.90)
Increase in other current assets	(1,145.17)	(264.64)
Increase in trade payables	15,251.33	2,077.86
Increase in provisions	53.94	10.32
Increase in other financial liabilities	9,148.20	2,416.41
(Decrease) / Increase in other non current liabilities	(18.71)	608.04
Increase in other current liabilities	2,115.59	242.47
<b>Cash generated from operations</b>	<b>3,482.54</b>	<b>(1,176.29)</b>
Income tax paid/refund	81.34	(421.63)
<b>Net cash generated from operating activity - A</b>	<b>11,272.80</b>	<b>3,560.63</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Amount received on Sale of investments Mutual fund	54,537.71	25,073.42
Purchase of Investment of Mutual Fund	(50,377.48)	(28,692)
Purchase of Property, plant & equipment and intangible assets	(131.44)	(145)
Capital expenditure towards development of intangible assets	6.40	6.40
Sale of Property, plant & equipment and intangible assets	5.07	9.71
Investment in NCD and AIF (net)	(18,308.64)	(10,212.74)
Investment in Equity shares (Unquoted)	(22,452.40)	-
<b>Net cash used in investing activities - B</b>	<b>(36,720.78)</b>	<b>(13,959.87)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Borrowings and deposit taken	-	8,500.00
Repayment of borrowings & deposits	(6,250.00)	(61.93)
Loan and deposits given	-	(1,315.00)
Repayment towards Loan and deposit given	1,100.00	2,715.00
Proceeds from Issue of compulsory convertible debentures	23,000.00	-
Proceeds from issue of debt securities	21,261.38	-
Proceeds from working capital facility	952.92	-
Interest paid (including interest paid on inter corporate deposits)	(1,657.79)	(722.54)
Principal repayment of leases (Ind AS 116)	(141.38)	(12.28)
Finance cost paid (IND AS 116)	(109.06)	(2.84)
Interest received	1,660.81	365.07
<b>Net cash generated from/(used in) financing activities - C</b>	<b>39,816.88</b>	<b>9,465.48</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>14,368.91</b>	<b>(933.75)</b>
<b>Note :</b>		
Cash and cash equivalents as at the beginning of the year	576.58	1,510.34
Cash and cash equivalents as at the end of the year	14,945.48	576.58
<b>Cash and cash equivalents as at the end of the year</b>	<b>AS at</b>	<b>AS at</b>
	<b>March 31, 2022</b>	<b>March 31, 2022</b>
Balance with Banks - in Current accounts	4,534.08	466.02
Balance with Banks - in escrow accounts	135.86	54.96
Fixed deposits with Banks	10,275.54	55.60
	14,945.48	576.58

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

**Haridas Bhat**  
Partner  
Membership No: 039070

Mumbai  
May 15, 2023

For and on behalf of the Board of Directors

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

**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

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

**Deepak Mukhija**  
Company Secretary

## Statement of Changes in Equity

(Currency: Indian rupees in lakhs)

### (A) EQUITY SHARE CAPITAL

Balance at the beginning of the reporting period (April 01, 2021)	Changes in equity share capital (refer note 22.1)	Balance at the end of the reporting period (March 31, 2022)	Changes in equity share capital (refer note 22.1)	Balance at the end of the reporting period (March 31, 2023)
1,237.47	-	1,237.47	-	1,237.47

### (B) INSTRUMENTS ENTIRELY EQUITY IN NATURE

Balance at the beginning of the reporting period (April 01, 2021)	Changes during the year (refer note 22.2)	Balance at the end of the reporting period (March 31, 2022)	Changes during the year (refer note 22.2)	Balance at the end of the reporting period (March 31, 2023)
11,000.00	-	11,000.00	23,000.00	34,000

### (C) OTHER EQUITY

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

#### (iii) Debenture Redemption Reserve

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

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

**Haridas Bhat**  
Partner  
Membership No: 039070

Mumbai  
May 15, 2023

For and on behalf of the Board of Directors

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

**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

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

**Deepak Mukhija**  
Company Secretary



## Notes to the financial statements

(Currency: Indian rupees in lakhs)

### 1 BACKGROUND

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

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

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

### 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have 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 (₹)

### 3 PRESENTATION OF FINANCIAL STATEMENTS

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

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- the normal course of business
- the event of default
- the event of insolvency or bankruptcy of the Company and or its counterparties

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

### Assets

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

### Liabilities

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

## 4 SIGNIFICANT ACCOUNTING POLICIES

### 4.1 Financial Instruments

#### 4.1.1 Date of recognition

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

#### 4.1.2 Initial measurement of financial instruments

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value

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

through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### 4.1.3 Day 1 profit or loss

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

### 4.2 Classification of financial instruments

#### 4.2.1 Financial assets:

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

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

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

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

Debt instruments that meet the following conditions are subsequently measured at fair value through

other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

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

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

#### 4.2.1.1 Amortised cost and Effective interest method

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

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

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



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

#### Investment in equity instruments

The Company subsequently measures all equity investments at fair value through profit or loss, unless the management has elected to classify irrevocably some of its strategic equity investments to be measured at FVTOCI, when such instruments meet the definition of Equity under Ind AS and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

#### 4.2.2 Financial liabilities

All financial liabilities are measured at amortised cost

##### 4.2.2.1 Debt securities and other borrowed funds

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

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

Financial assets and financial liabilities in this category are those that are not held for trading and are mandatorily required to be measured at fair value under Ind AS 109.

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

FVTPL is recorded using contractual interest rate.

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

#### 4.2.3 Financial liabilities and equity instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of an Company after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

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

#### 4.3 Reclassification of financial assets and financial liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

#### 4.4 Derecognition of financial assets and financial liabilities

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

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash

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

flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

#### 4.4.3 Derecognition of financial liabilities

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

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying value of the original financial liability and the consideration paid, including modified contractual cash flow recognised as new financial liability, would be recognised in profit or loss.

#### 4.5 Impairment of financial assets

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

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

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

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events



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on a financial instrument that are possible within 12 months after the reporting date.

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

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

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

#### 4.6 Write off

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

#### 4.7 Determination of fair value

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

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

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

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

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observable market data available over the entire period of the instrument's life.

- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

#### 4.8 Revenue from contract with customer

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

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

- b. Fee income including advisory fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.
- c. The Company recognises incremental costs of obtaining a contract with a customer as an asset if it expects to recover those costs. This asset is amortised to profit or loss on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.
- d. Recognition of Interest income
  - Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.
  - The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).
  - Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.
  - In case of staff loans interest income is recognised on accrual basis

#### 4.9 Operating leases

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



*Notes to the financial statements (Contd.)*  
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**Company as a lessee:**

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

**Measurement and recognition**

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

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

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

**Short term lease**

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

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

**4.10 Earnings per share**

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

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

**4.11 Foreign currency transactions**

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

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

*Notes to the financial statements (Contd.)*  
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**4.12 Retirement and other employee benefit**

**Provident fund and national pension scheme**

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

**Gratuity**

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods

**Compensated Absences**

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

**4.13 Share-based payment arrangements**

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

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

**4.14 Property, plant and equipment**

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

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

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



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

Estimated useful lives of the assets are as follows:

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

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

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

#### 4.15 Intangible assets

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

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

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

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

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

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

#### 4.16 Impairment of non-financial assets

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

#### 4.17 Cash and cash equivalents

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

#### 4.18 Provisions and other contingent liabilities

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

*Notes to the financial statements (Contd.)*  
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reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

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

#### 4.19 Income tax expenses

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

##### 4.19.1 Current tax

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

##### 4.19.2 Deferred tax

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

deductible temporary differences can be utilised.

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

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

- the Company will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly



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in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

### 5.1 Critical judgements in applying accounting policies

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

#### 5.1.1 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Company's financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance is measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the quantum, the reason for their disposal and whether

the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

#### 5.1.2 Significant increase in credit risk

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

#### 5.1.3 Consolidation of structured entities

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

### 5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material

*Notes to the financial statements (Contd.)*  
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adjustment to the carrying amounts of assets and liabilities within the next financial year, as described below. The Company based its assumptions and estimates on parameters available when the Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

- Fair value of financial instruments

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

- Impairment of financial assets

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

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

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

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

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

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

## 6 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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



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#### 7 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLES

Description of assets	Gross block			Depreciation and amortisation			Net block	
	As at April 1, 2022	Additions during the year	Deductions during the year	As at March 31, 2023	As at April 1, 2022	Additions during the year	As at March 31, 2023	As at March 31, 2022
<b>(A) Property, plant and equipment</b>								
Furniture & Fixtures	2.53	1.75	-	4.28	1.09	0.64	2.55	1.44
Office equipment	25.70	1.71	-	27.41	23.24	1.28	2.89	2.46
Motor vehicle	5.41	-	2.78	2.63	3.06	0.21	-	2.34
Computers	135.62	73.18	20.57	188.24	74.66	65.13	66.00	60.96
Right to use asset	38.75	1,966.71	-	2,005.46	20.42	208.94	1,776.10	18.33
<b>Total : A</b>	<b>208.01</b>	<b>2,043.35</b>	<b>23.35</b>	<b>2,228.02</b>	<b>122.47</b>	<b>276.20</b>	<b>1,847.54</b>	<b>85.53</b>
<b>(B) Intangible assets</b>								
Computer software	315.59	54.80	-	370.39	213.53	72.01	84.85	102.05
<b>Total : B</b>	<b>315.59</b>	<b>54.80</b>	<b>-</b>	<b>370.39</b>	<b>213.53</b>	<b>72.01</b>	<b>84.85</b>	<b>102.05</b>

Notes to the financial statements (Contd.)  
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#### 7 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLES

Description of assets	Gross block			Depreciation and amortisation			Net block	
	As at April 1, 2021	Additions during the year	Deductions during the year	As at March 31, 2022	As at April 1, 2021	Additions during the year	As at March 31, 2022	As at March 31, 2021
<b>(A) Property, plant and equipment</b>								
Furniture & Fixtures	2.53	-	-	2.53	0.36	0.73	1.44	2.17
Office equipment	26.93	-	1.23	25.70	22.43	2.00	2.46	4.50
Motor vehicle	40.58	-	35.17	5.41	31.42	2.22	2.34	9.16
Computers	94.43	67.54	26.35	135.62	64.71	35.65	60.96	29.72
Right to use asset	38.75	-	-	38.75	7.50	12.92	18.33	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>85.53</b>	<b>76.80</b>
<b>(B) Intangible assets</b>								
Computer software	244.79	77.57	6.77	315.59	130.89	89.41	102.05	113.90
Investment Management Rights	475.00	-	475.00	-	475.00	-	-	-
<b>Total : B</b>	<b>719.79</b>	<b>77.57</b>	<b>481.77</b>	<b>315.59</b>	<b>605.89</b>	<b>89.41</b>	<b>102.05</b>	<b>113.90</b>



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

#### 8 INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at March 31, 2023	As at March 31, 2022
<b>Projects in progress</b>		
Less than 1 year	-	6.40
More than 1 year	-	-
	-	6.40

#### 9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Fixed deposits with banks to the extent held as security against debt securities	274.24	-
	274.24	-

Notes :

- i) Fixed deposit balances with banks earns interest at fixed rate

#### 10 INVESTMENTS

	As at March 31, 2023	As at March 31, 2022
<b>i) At Fair Value Through Profit &amp; Loss</b>		
<b>Quoted</b>		
Equity Shares	282.31	-
<b>Unquoted</b>		
Debt securities	15,751.31	8,995.64
Pass through certificates	104.19	467.28
Units of AIF	13,900.93	1,526.87
<b>ii) At Cost (Subsidiaries)</b>		
<b>Unquoted</b>	22,452.40	-
Equity Shares	52,491.15	10,989.79

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

#### 11 OTHER FINANCIAL ASSETS

	As at March 31, 2023	As at March 31, 2022
Securiy Deposits	177.21	12.20
Deposits - others	2.13	-
	179.35	12.20

#### 12 CURRENT TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
Advance income taxes	28.55	1,128.15
(net of provision for tax ₹1,396.79)	28.55	1,128.15

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

#### 13 OTHER NON-CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	24,993.53	4,416.87
	24,993.53	4,416.87

#### 14 CASH AND CASH EQUIVALENTS

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

#### 15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Fixed deposits with banks to the extent held as security against debt securities	-	55.60
Earmarked balances with financial institution	135.86	54.96
	135.86	110.56

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

#### 16 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>		
Undisputed Trade receivables – considered good	6,883.04	5,902.10
	6,883.04	5,902.10

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

#### Ageing of Trade receivables

Trade receivables days past due	Unbilled	Less than 6 months	6 months -1 year	1-2 years	Total
<b>As at March 31, 2023</b>					
(i) Undisputed Trade receivables – considered good	-	5,775.28	1,107.76	-	6,883.04
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-
<b>Net carrying amount</b>	-	5,775.28	1,107.76	-	6,883.04



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

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>	-	<b>5,871.69</b>	<b>30.41</b>	-	<b>5,902.10</b>

## 17 INVESTMENTS

	As at March 31, 2023	As at March 31, 2022
<b>At Fair Value Through Profit &amp; Loss</b>		
<b>Quoted</b>		
Equity Shares	-	499.49
Mutual Fund	-	4160.23
<b>Unquoted</b>		
Debt securities	3,065.65	932.01
Pass through certificates	172.55	149.72
Units of AIF	25.43	-
	<b>3,263.62</b>	<b>5,741.45</b>

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

## 18 LOANS (AT AMMORTISED COST)

	As at March 31, 2023	As at March 31, 2022
<b>Considered Good- Unsecured</b>		
Loan to employees	3.10	-
Loan to holding company	-	1,111.49
Less: Impairment loss allowance		(0.20)
	<b>3.10</b>	<b>1,111.29</b>

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

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

## 19 OTHER FINANCIAL ASSETS

	As at March 31, 2023	As at March 31, 2022
Advances recoverable in cash or in kind or for value to be received	533.13	449.63
Security deposits	20.50	9.20
Deposits - others	100.00	-
	<b>653.63</b>	<b>458.83</b>

## 20 CURRENT TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
Advance income taxes and tax deducted at source (refer note 45.3)	-	421.74
	<b>-</b>	<b>421.74</b>

## 21 OTHER CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	1,650.39	887.83
Vendor Advances	360.25	98.53
Advances to employees	24.63	21.57
Input tax credit	117.68	-
Advances recoverable in cash or in kind or for value to be received	0.16	-
	<b>2,153.10</b>	<b>1,007.93</b>

## 22.1 EQUITY SHARE CAPITAL

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

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

	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<b>Equity shares</b>				
Number of shares outstanding at the beginning of the year	12,374,737	1,237	12,374,737	1,237
Shares issued during the year	-	-	-	-
Number of shares at the end of the year	12,374,737	1,237	12,374,737	1,237



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

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

	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Edelweiss Securities Ltd. and its nominees.	-	-	1,044,884	8.44%
Edelweiss Securities And Investments Pvt. Ltd. and its nominees	12,256,000	99.04%	11,211,116	90.60%
	12,256,000	99.04%	12,256,000	99.04%

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

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

Promoter name	No of shares	% of total shares	% Change during the year
Edelweiss Securities And Investments Pvt. Ltd.	12,256,000	w99.04%	8.44%

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

Promoter name	No of shares	% of total shares	% Change during the year
Edelweiss Securities And Investments Pvt. Ltd.	11,211,116	90.60%	0.00%
Edelweiss Securities Ltd.	1,044,884	8.44%	0.00%

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

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

**22.2 INSTRUMENTS ENTIRELY EQUITY IN NATURE**

	As at March 31, 2023	As at March 31, 2022
<b>a. 110,000,000 compulsory convertible debentures of ₹ 10 each fully paid</b>	34,000.00	11,000.00
	34,000.00	11,000.00

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

	As at March 31, 2023		As at March 31, 2022	
	No of CCDs	Amount	No of CCDs	Amount
<b>Compulsory convertible debentures (CCDs)</b>				
Outstanding at the beginning of the year	110,000,000	11,000.00	110,000,000	11,000.00
Issued during the year	230,000,000	23,000.00	-	-
Outstanding at the end of the year	340,000,000	34,000.00	110,000,000	11,000.00

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

**c Details of debentureholders holding more than 5%**

	As at March 31, 2023		As at March 31, 2022	
	No of CCDs	Amount	No of CCDs	Amount
Edelweiss Securities And Investments Pvt. Ltd.	340,000,000	34,000.00	110,000,000	11,000.00
	340,000,000	34,000.00	110,000,000	11,000.00

**d Terms/rights attached to Instruments entirely equity in nature**

- The interest rate is 0.01 % per annum amended from 9% per annum w.e.f October 06, 2021 and CCDs will be converted into equity shares at the end of the term. The CCD's shall be converted into Equity shares in the ratio of 17:1 i.e one Equity Share shall be allotted for every 17 CCDs at the end of 5 years and such resulting number will be rounded off up or down to nearest integer.
- The CCDs issued at 0.01% per annum in the current period shall be converted into the Equity Shares of the Company in the ratio of 173:10 (i.e. 10 Equity Shares will be allotted for 173 CCDs converted) at the end of 5 years.

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

**23 BORROWINGS (OTHER THAN DEBT SECURITIES)**

	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
<b>Term loan from Financial Institution</b>	-	5,150.00
(Above borrowing is secured term loan from Financial Institution at interest rate of 12 percent per annum which is repayable within 36 months from date of disbursement.)*		
	-	5,150.00
Borrowings in india	-	5,150.00
Borrowings outside india	-	-
	-	5,150.00

(Secured against exclusive investments in debt securities and units of Alternative Investment Funds and charge on identified fee receivables and corporate guarantee of Ultimate Holding Company).(refer note 55 E (iii)).\*

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

\* - Note relates to previous year

**24 DEBT SECURITIES**

**Redeemable non-convertible debentures - secured**

	As at March 31, 2023	As at March 31, 2022
<b>Privately placed</b>		
- Market linked debentures	11,169.39	-
- Non Convertible Debentures	10,000.00	-
	21,169.39	-

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



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

## 25 LEASE LIABILITY

	As at March 31, 2023	As at March 31, 2022
Lease liability	1,549.66	6.20
	1,549.66	6.20

## 26 OTHER FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Other payables	7,151.81	608.04
	7,151.81	608.04

## 27 PROVISIONS

	As at March 31, 2023	As at March 31, 2022
Compensated leave absences	136.79	111.71
Gratuity	196.12	169.22
	332.91	280.93

## 28 DEFERRED TAX ASSETS AND LIABILITIES

	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax assets (net)</b>		
Employee benefit obligations	97.62	70.04
Provision for expected credit losses	(0.05)	0.05
Property, plant and equipment and intangibles	55.81	(0.41)
<b>Total</b>	<b>153.39</b>	<b>69.68</b>
<b>Deferred tax liabilities (net)</b>		
Fair valuation of Investments	(477.54)	(128.05)
Right of Use Assets less lease liabilities (net)	(17.35)	(0.40)
<b>Total</b>	<b>(494.89)</b>	<b>(128.45)</b>
<b>Deferred tax (liability) / assets (net)</b>	<b>(341.51)</b>	<b>(58.77)</b>

## 29 OTHER NON-CURRENT LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Income received in advance	72.53	94.41
Others	3.17	-
	75.70	94.41

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

## 30 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>		
Loan from fellow subsidiary	2,237.34	3,336.43
(Variable interest rate loan at prevailing market rate ranging from 13.25% to 14.30 % (previous year : 11.80 % to 13.40 %))		
<b>Secured</b>		
Bank Overdraft	952.92	-
(Pari-passu charge on all the current assets of the Borrower, excluding the assets which are exclusively charged to other lenders, with an asset cover of 1.5 times of sanctioned amount)		
	3,190.26	3,336.43
Borrowings in india	3,190.26	3,336.43
Borrowings outside india	-	-
	3,190.26	3,336.43

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

## 31 DEBT SECURITIES

	As at March 31, 2023	As at March 31, 2022
<b>Redeemable non-convertible debentures - secured</b>		
Accrued Interest on Non Convertible Debentures	91.98	-
	91.98	-

## 32 TRADE PAYABLES

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



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

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

₹ 1.25 lakhs payable to "Suppliers" in the previous year was due to supplier registered under the Micro, Small and Medium Enterprises Development Act, 2006 and is paid within 45 days. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.

### 33 LEASE LIABILITY

	As at March 31, 2023	As at March 31, 2022
Lease liability	295.57	13.70
	<b>295.57</b>	<b>13.70</b>

### 34 OTHER FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Accrued salaries and benefits	3,099.22	3,542.03
Deposits	1,479.10	-
Interest accrued & not due on compulsory convertible debentures	1.04	0.03
Other payables	1,888.56	321.43
	<b>6,467.92</b>	<b>3,863.49</b>

### 35 PROVISIONS

	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits</b>		
Compensated absences	30.42	22.87
Others	20.21	-
	<b>50.63</b>	<b>22.87</b>

### 36 OTHER NON-FINANCIAL LIABILITIES

	As at March 31, 2023	As at March 31, 2022
Income received in advance	2,310.06	14.50
Withholding taxes, Goods & service tax and other taxes payable	513.51	687.83
Others	-	5.65
	<b>2,823.57</b>	<b>707.98</b>

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

### 37 INTEREST INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>On Financial assets measured at amortised cost</b>		
Interest on loan to Holding Company	80.97	177.69
Interest on loan given to employees	0.10	0.86
Interest on loan to others	-	1.41
Interest on deposits with Banks	14.12	0.60
Interest on inter corporate deposits	-	1.99
<b>On Financial assets measured at fair value through profit and loss</b>		
Debt instruments	1,479.42	163.71
Pass through certificates	74.71	28.10
	<b>1,649.32</b>	<b>374.36</b>

### 38 REVENUE FROM CONTRACT WITH CUSTOMERS

	For the year ended March 31, 2023	For the year ended March 31, 2022
Advisory and other fees	22,963.82	20,169.58
	<b>22,963.82</b>	<b>20,169.58</b>

Disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Service transferred at a point in time	-	-
Service transferred over time	22,963.82	20,169.58
<b>Total revenue from contract with customers</b>	<b>22,963.82</b>	<b>20,169.58</b>

### 39 NET GAIN ON FAIR VALUE CHANGES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value gain/(loss) on financial instruments at fair value through profit or loss	1,866.15	893.17
Profit on sale of investments	556.57	68.22
Income distribution from fund	333.42	-
	<b>2,756.14</b>	<b>961.39</b>



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

#### 40 OTHER INCOME

	For the year ended March 31, 2023	For the year ended March 31, 2022
Foreign Exchange Gain	115.32	6.55
Profit on sale of fixed assets (net)	-	4.43
Miscellaneous income and other reimbursements	1.04	61.90
Shared Premises income	1.92	18.57
Interest on Income Tax Refund	145.87	-
	264.15	91.45

#### 41 FINANCE COSTS

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>On financial liabilities measured at amortised cost</b>		
Interest on loan from financial institution	566.50	125.11
Interest on loan from fellow subsidiaries	343.19	73.50
Interest on non convertible debentures	747.12	-
Interest on inter-corporate deposits	-	0.01
Interest on compulsorily convertible debentures	1.13	515.25
Interest on lease liability	109.06	2.84
Interest on working capital facility	0.77	-
<b>Other interest expense</b>		
Interest - others	77.08	0.21
Financial and bank charges	19.61	287.60
	1,864.46	1,004.52

#### 42 IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>ECL provision on loan given to holding company</b>	(0.20)	(0.25)
	(0.20)	(0.25)

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

#### 43 EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries wages and bonus	9,971.18	9,508.67
Contribution to provident and other funds (refer note 2.31)	469.54	381.64
Expense on Employee Stock Option Scheme (refer note below)	16.86	(3.33)
Staff welfare expenses	350.98	115.61
Expense on Employee Stock Appreciation Rights (refer note below)	85.15	50.60
	10,893.71	10,053

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

#### 44 OTHER EXPENSES

	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement and business promotion	57.96	127.70
Auditors' remuneration (refer note below)	7.15	6.50
Communication	46.40	39.20
Computer expenses	460.90	282.71
Clearing & custodian charges	0.69	0.34
Donation	1.00	-
Electricity charges (refer note 2.40)	31.92	15.34
Insurance	23.25	26.53
Legal and professional fees	676.34	1,006.32
Membership and subscription	53.71	29.56
Office expenses	81.99	34.94
Postage and courier	3.91	-
Mutual Fund Expenses	1.56	-
Printing and stationery	36.74	1.36
Rates and taxes	17.64	1.38
Rating Support Fees	5.90	7.98
Rent (refer note 2.40)	622.23	551.60
Repairs and maintenance	8.55	4.13
Seminar and conference	0.18	-
Goods & Service tax expenses	8.52	0.07
Directors' Sitting Fees	8.30	4.40
Stamp paper charges	20.64	2.99
Stock exchange expenses	2.97	1.49



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

	For the year ended March 31, 2023	For the year ended March 31, 2022
Loss on sale of fixed assets	0.07	-
Travelling and conveyance	457.81	208.15
Outside Services Cost	93.26	40.42
Selling and Distribution expenses	2,248.34	2,943.94
Miscellaneous expenses	5.65	0.76
	<b>4,983.58</b>	<b>5,337.81</b>

Note:

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1) Auditors' remuneration:</b>		
As auditor	6.60	6.00
For others	0.55	0.50
	<b>7.15</b>	<b>6.50</b>

## 2) Cost Sharing

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

## 45 DEFERRED TAX ASSETS

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

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

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

## 45.1 RECONCILIATION OF TOTAL TAX CHARGE

Particulars	March 31, 2023	March 31, 2022
Accounting profit before tax as per financial statements	9,543.67	5,058.58
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	2,402.14	1,273.24
Adjustment in respect of current income tax of prior years	10.73	-
Others	(411.53)	(23.50)
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised	(561.34)	(1,084.34)
<b>Tax charge for the year recorded in P&amp;L</b>	<b>1,440.00</b>	<b>165.39</b>
<b>Break-up of income tax recorded in OCI</b>		
<b>Deferred tax</b>		
Employee benefit obligations	(1.72)	13.12
<b>Total</b>	<b>(1.72)</b>	<b>13.12</b>

## 45.2 DETAILS OF TEMPORARY DIFFERENCES WHERE DEFERRED TAX ASSETS HAVE NOT BEEN RECOGNISED IN THE BALANCE SHEET

As at March 31, 2023	Unused tax losses			
Financial Year to which the loss relates to	Unused business losses		Unabsorbed depreciation	
	Amount	Expiry year	Amount	Expiry year
A.Y 2018-19	431.82	F.Y. 2025-26	-	N.A
A.Y 2019-20	1,798.39	F.Y. 2026-27	-	N.A
Total	2,230.20		-	

As at March 31, 2022	Unused tax losses			
Financial Year to which the loss relates to	Unused business losses		Unabsorbed depreciation	
	Amount	Expiry year	Amount	Expiry year
A.Y 2018-19	431.82	F.Y. 2025-26	-	N.A
A.Y 2019-20	1,798.39	F.Y. 2026-27	-	N.A
Total	2,230.20		-	

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

Movement for the period (FY 2022-23)				
	Opening deferred tax asset / (liability) as per Ind AS	Recognised in profit or loss	Recognised in OCI	Closing deferred tax asset / (liability) as per Ind AS
<b>Deferred taxes in relation to:</b>				
Property, Plant and Equipment including intangibles	(0.42)	56.24	-	55.82
Employee benefits obligations	70.04	29.31	(1.72)	97.63
ROU Assets less lease liabilities (net)	(0.39)	(16.97)	-	(17.36)
Fair valuation of investments	(128.05)	(349.50)	-	(477.55)
Provision for expected credit losses	0.05	(0.10)	-	(0.05)
Total	(58.76)	(281.02)	(1.72)	(341.50)



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

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

#### 46 EARNINGS PER SHARE

Earnings per share	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Net amount attributable to the equity shareholders (as per statement of profit and loss)	7,822.65	4,893.18
b) Calculation of weighted average number of equity Shares of ₹ 10 each:		
- Number of shares at the beginning of the year	12,374,737	12,374,737
- Shares issued during the year	-	-
- Shares to be issued against compulsory convertible debentures	19,765,386	6,470,588
Total number of equity shares outstanding at the end of the year	32,140,123	18,845,325
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	18,954,598	18,845,325
Basic earnings per share (in rupees) (a/b)	41.27	25.96
Diluted earnings per share (in rupees) (a/b)	41.27	25.96

#### 47 SEGMENT REPORTING

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

#### 48 LIST OF RELATED PARTIES

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

Edelweiss Financial Services Ltd. - (Ultimate Holding company)  
Edelweiss Securities And Investments Pvt. Ltd. (Holding company)

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

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

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

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

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

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

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

##### E Key Managerial Personnel

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



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

#### Related Party Disclosures

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

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

Sr. No.	Nature of Transaction	Related party name	For the year ended March 31, 2023	For the year ended March 31, 2022
		Nuvama Asset Management Ltd. (formerly known as ESL Securities Ltd.)	0.85	-
		Nuvama Wealth Management Ltd. (formerly known as Edelweiss Securities Ltd.)	0.10	0.14
		Nuvama Wealth and Investment Ltd. (formerly known as Edelweiss Broking Ltd.)	-	0.65
18	<b>Interest income on loan given</b>	Edelweiss Securities And Investments Pvt. Ltd.	80.97	177.69
19	<b>Interest income on intercorporate deposits given</b>	Sekura India Management Ltd.	0.00	1.21
		Edelweiss Real Assets Managers Ltd.	-	0.78
20	<b>Fee income earned from</b>	Edelweiss Alternative Asset Advisors Pte Ltd.	3,802.18	3,236.06
		Edelweiss Rural & Corporate Services Ltd.	109.43	106.83
		India Credit Investment Fund III	9.56	-
		ECL Finance Ltd.	742.34	982.58
		Edelcap Securities Ltd	15.28	15.97
		Edelweiss Value Growth Fund	17.64	20.20
		Edelweiss Investment Advisors Ltd.	139.03	153.96
		Sekura India Management Ltd.	333.00	75.00
		India Credit Fund II	389.65	292.37
		Edelweiss Pvt. Tech Equity Fund	6.86	6.04
		Edelweiss Securities And Investments Pvt. Ltd.	244.67	-
		ECap Equities Ltd.	373.35	482.67
		Edelweiss Financial Services Ltd.	-	690.00
21	<b>Reimbursements received from</b>	Edelweiss Alternative Asset Advisors Pte Ltd.	308.92	188.97
		ECL Finance Ltd.	15.87	16.61
		Edelweiss Investment Advisors Ltd.	0.20	-
		Edelweiss Asset Reconstruction Company Ltd.	21.14	6.26
		ECap Equities Ltd.	103.51	6.39
		Edelcap Securities Ltd.	-	0.18
		Edelweiss Rural & Corporate Services Ltd.	29.77	8.57
		Edel Finance Company Ltd.	-	0.19
		Edelweiss Investment Adviser Ltd.	-	0.67
		Nuvama Wealth Finance Ltd. (Formerly Edelweiss Finance & Investments Ltd.)	1.92	11.76
		Nuvama Wealth and Investment Ltd. (formerly known as Edelweiss Broking Ltd.)	-	0.93
		Edelweiss Financial Services Ltd.	-	1,734.00
		Nuvama Wealth Management Ltd. (formerly known as Edelweiss Securities Ltd.)	-	3.71
		Nuvama Clearing Services Ltd. (formerly known as Edelweiss Custodial Services Ltd.)	-	5.88



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

Sr. No.	Nature of Transaction	Related party name	For the year ended March 31, 2023	For the year ended March 31, 2022
22	Transfer of gratuity liability on account of employee transfer to	Edelweiss Real Assets Managers Ltd.	3.80	-
23	Transfer of gratuity liability on account of employee transfer from	Edelcap Securities Ltd.	10.12	-
		Edelweiss Asset Reconstruction Company Ltd.	30.98	-
		Edelweiss Rural & Corporate Services Ltd.	7.36	-
		ECL Finance Ltd.	7.75	-
24	Purchase of Fixed asset	ECL Finance Ltd.	0.90	-
		Edelweiss Housing Finance Ltd.	0.06	-
		Edelweiss Financial Services Ltd.	-	0.29
		Edelweiss Rural & Corporate Services Ltd.	-	0.14
25	Sale of Fixed Asset	Edelweiss Asset Reconstruction Company Ltd.	1.10	-
		Edelweiss Financial Services Ltd.	0.06	-
		Edelweiss Housing Finance Ltd.	0.02	-
		Edelweiss Rural & Corporate Services Ltd.	0.06	-
		Nuvama Wealth and Investment Ltd. (Formerly Edelweiss Broking Ltd.)	0.02	-
		Edelweiss Asset Management Ltd.	-	0.01
		Nuvama Wealth Finance Ltd. (Formerly Edelweiss Finance & Investments Ltd.)	0.02	-
B)	Balances with related parties as stated above			
1	Compulsory convertible debentures	Edelweiss Securities And Investments Pvt. Ltd.	34,000.00	11,000.00
2	Short-term borrowings	Edelweiss Rural & Corporate Services Ltd.	2,200.00	3,300.00
3	Term loans given	Edelweiss Securities And Investments Pvt. Ltd.	-	1,099.80
4	Trade payable to	ECL Finance Ltd.	41.22	28.49
		Edelweiss Securities And Investments Pvt. Ltd.	76.12	31.52
		Edelweiss Rural & Corporate Services Ltd.	188.59	37.70
		Nuvama Wealth and Investment Ltd. (Formerly Edelweiss Broking Ltd.)	-	2,039.42
		Edelweiss Housing Finance Ltd.	0.02	-
		Edelweiss Financial Services Ltd.	0.68	-
		Edelweiss Investment Adviser Ltd.	-	23.11
		Nuvama Wealth Management Ltd. (formerly known as Edelweiss Securities Ltd.)	-	0.01
5	Interest accrued and due on borrowings from	Edelweiss Rural & Corporate Services Ltd.	31.37	36.43
		Edelweiss Financial Services Ltd.	5.97	-
6	Interest accrued & not due on compulsory convertible debentures	Edelweiss Securities And Investments Pvt. Ltd.	1.04	0.03

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

Sr. No.	Nature of Transaction	Related party name	For the year ended March 31, 2023	For the year ended March 31, 2022
7	Interest accrued on loans given	Edelweiss Securities And Investments Pvt. Ltd.	-	11.49
8	Other payables	Edelweiss Financial Services Ltd.	89.36	-
		Edelweiss Real Assets Managers Ltd.	3.80	-
		Edelweiss Asset Reconstruction Company Ltd.	-	1.62
9	Other Receivables	Edelweiss Rural & Corporate Services Ltd.	8.26	1.37
		Edelcap Securities Ltd.	10.12	-
		Edelweiss Asset Reconstruction Company Ltd.	30.98	-
		ECL Finance Ltd.	7.75	4.13
		Edelweiss Value Growth Fund	-	4.49
		Edelweiss Financial Services Ltd.	-	160.37
		Edelweiss Asset Management Ltd.	-	0.12
		Zuno General Insurance Ltd. (formerly known as Edelweiss General Insurance Company Ltd.)	-	0.01
10	Security deposits with	Edelweiss Rural & Corporate Services Ltd.	177.21	-
11	Contract liability	Nuvama Wealth and Investment Ltd. (Formerly Edelweiss Broking Ltd.)	-	927.74
12	Trade receivables	Edelweiss Alternative Asset Advisors Pte Ltd.	3,006.38	1,376.41
		Edelcap Securities Ltd	1.42	1.46
		ECap Equities Ltd.	27.98	37.52
		Sekura India Management Ltd.	67.80	81.00
		Edelweiss Securities And Investments Pvt. Ltd.	50.00	-
		Edelweiss Rural & Corporate Services Ltd.	22.82	-
		Edelweiss Asset Reconstructions Company Ltd	1.65	1.16
		Edelweiss Value Growth Fund	5.13	27.71
		Edelweiss Pvt. Tech Equity Fund	2.00	3.86
		ECL Finance Ltd.	61.17	-
		India Credit Investment Fund II	173.92	88.74
		India Credit Investment Fund III	11.28	-
		Edelweiss Investment Advisors Ltd.	10.22	-
		Nuvama Clearing Services Ltd. (formerly known as Edelweiss Custodial Services Ltd.)	-	3.34
		Nuvama Wealth Finance Ltd. (Formerly Edelweiss Finance & Investments Ltd.)	-	6.67
		Edelweiss Financial Services Ltd.	-	726.89
C)	Off Balance Sheet Items			
	Corporate Guarantee taken from	Edelweiss Financial Services Ltd.	-	12,500.00
		Edelweiss Securities And Investments Pvt. Ltd.	10,000.00	-



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

#### 49 RETIREMENT BENEFIT PLAN

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

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

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

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

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

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

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

Particulars	March 31, 2023	March 31, 2022
<b>Service Cost</b>		
a. Current Service Cost	<b>88.56</b>	80.00
b. Net Interest on net defined benefit liability/ (asset)	<b>39.98</b>	26.89
<b>Service Cost</b>	<b>667.36</b>	625.25

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

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

**Table 4: Actuarial Assumptions**

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

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

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

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

**Table 6: Sensitivity Analysis**

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

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

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



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

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

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

## 50 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	April 01, 2022	Cash flows	Changes in fair values	Exchange differences	Others*	March 31, 2023
Debt securities	-	20,623.45	-	-	637.92	21,261.38
Borrowings other than debt securities	8,486.43	(5,640.13)	-	-	343.96	3,190.26
Total liabilities from financing activities	8,486.43	14,983.32	-	-	981.88	24,451.63

Particulars	April 01, 2021	Cash flows	Changes in fair values	Exchange differences	Others*	March 31, 2022
Borrowings other than debt securities	57.04	7,715.50	-	-	713.89	8,486.43
Deposits		(0.01)			0.01	-
Total liabilities from financing activities	57.04	7,715.49	-	-	713.90	8,486.43

\* Represents Interest expense for the year.

## 51 CONTINGENT LIABILITIES, COMMITMENTS AND LEASE ARRANGEMENTS

### 51.1 Legal claims

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

### 51.2 Contingent liabilities and assets

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

### 51.3 Capital commitments

#### A. Uncalled liabilities

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

#### B. Estimated amounts of contracts

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

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

## 52 OPERATING LEASE COMMITMENTS

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

### i) Right of use asset

Opening As at April 01, 2022	18.33
Addition	1,966.71
Depreciation expense	208.94
Closing as at March 31, 2023	1,776.10

### Right of use asset

Opening As at April 01, 2021	31.25
Addition	-
Depreciation expense	12.92
Closing as at March 31, 2022	18.33

### ii) Lease Liability

Opening As at April 01, 2022	19.90
Addition	1,966.71
Accretion of interest	109.06
Payment	250.44
Closing as at March 31, 2023	1,845.23

### Lease Liability

Opening As at April 01, 2021	32.18
Accretion of interest	2.84
Payment	15.12
Closing as at March 31, 2022	19.90

### iii) Total amount recognised in profit and loss

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

### Total amount recognised in profit and loss

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



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

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

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

v) Other disclosure

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

### 53 CAPITAL MANAGEMENT

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

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

The Company is not subject to any regulatory capital requirements.

### 54 FAIR VALUES OF FINANCIAL INSTRUMENTS:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

#### 54.1 ASSETS AND LIABILITIES BY FAIR VALUE HIERARCHY

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

Particulars	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Investments in Units of AIF	-	-	13,926.36	13,926.36
Investments in NCDs	-	18,816.96	-	18,816.96
Investments in Pass through certificates	-	276.73	-	276.73
Investments in Listed Equity shares	282.31	-	-	282.31
Total financial assets measured at fair value on a recurring basis	282.31	19,093.69	13,926.36	33,302.37

Particulars	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Investments in Units of AIF	-	-	1,526.87	1,526.87
Investments in Units of Mutual Fund	4,160.23	-	-	4,160.23
Investments in NCDs	-	9,927.65	-	9,927.65
Investments in Pass through certificates	-	617.00	-	617.00
Investments in Listed Equity shares	499.49	-	-	499.49
Total financial assets measured at fair value on a recurring basis	4,659.72	10,544.65	1,526.87	16,731.24

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

### Fair valuation Technique

The equity instrument is traded actively traded on recognised stock exchange with readily available active prices on a regular basis. Such instruments are classified as level 1. Units held in funds are measured based on net asset value (NAV), taking into account redemption and/or other restrictions. Such instruments are generally level 3. (refer note 54.4)

#### 54.2 MOVEMENT IN LEVEL 3 FINANCIAL INSTRUMENT MEASURED AT FAIR VALUE

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

#### Financial year ended March 31, 2023

	Units of AIF	Total
Investments - at April 01, 2022	1,526.87	1,526.87
Purchase	14,109.59	14,109.59
Redemption during the year	(2,417.85)	(2,417.85)
Profit/(loss) during the year recognised in profit or loss	707.75	707.75
Investments - at March 31, 2023	13,926.36	13,926.36
Unrealised gain/(loss) related to balances held at the end of the year	707.75	707.75

#### Financial year ended March 31, 2022

	Units of AIF	Total
Investments - at April 01, 2021	76.89	76.89
Purchase	1,291.74	1,291.74
Redemption during the year	(2.34)	(2.34)
Profit/(loss) during the year recognised in profit or loss	160.58	160.58
Investments - at March 31, 2022	1,526.87	1,526.87
Unrealised gain/(loss) related to balances held at the end of the year	160.58	160.58

#### 54.3 FINANCIAL INSTRUMENTS NOT MEASURED AT FAIR VALUE

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

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

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

Type of financial instruments	Fair value of asset as on March 31, 2023	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in units of AIF	13,926.36	Net assets approach	Fair value of underlying investments	NAV per unit ₹ 508.52 - ₹1,07,284	5%	696.32	5%	(696.32)
<b>Total</b>	<b>13,926.36</b>					<b>696.32</b>		<b>(696.32)</b>



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

Type of financial instruments	Fair value of asset as on March 31, 2022	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in units of AIF	1,526.87	Net assets approach	Fair value of underlying investments	NAV per unit ₹ 685.69 - ₹10,773	5%	76.33	5%	(76.33)
<b>Total</b>	<b>1,526.87</b>					<b>76.33</b>		<b>(76.33)</b>

## 55 RISK MANAGEMENT

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

### A Risk management structure

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

### B Analysis of risk concentration

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

### C Industry analysis - Risk concentration for March 31, 2023 and March 31, 2022

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

Particulars	As at March 31, 2023				
	Financial services	Infrastructure	Real Estate	Others	Total
<b>Financial assets</b>					
Cash and cash equivalent	14,535.38	-	-	-	14,535.38
Bank balances other than cash and cash equivalents	410.10	-	-	-	410.10
Investments	36,655.49	12,505.84	4,682.90	1,910.54	55,754.77
Other financial assets	533.13	-	-	299.84	832.97
Trade receivables	6,883.04	-	-	-	6,883.04
Loans	-	-	-	3.10	3.10
<b>Total</b>	<b>59,017.15</b>	<b>12,505.84</b>	<b>4,682.90</b>	<b>2,213.48</b>	<b>78,419.37</b>

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

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

### 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 March 31, 2023	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	818.10	-	16,800.68	-	-	-	17,618.78
Borrowings	-	-	38.11	-	-	-	3,152.15	-	-	-	3,190.26
Debt Securities	-	-	-	-	91.98	-	-	17,769.39	3,400.00	-	21,261.38
Other financial liabilities	-	-	323.41	3,123.32	120.33	1,249.61	1,946.82	7,922.67	778.80	-	15,464.97
<b>Total</b>	<b>-</b>	<b>-</b>	<b>361.51</b>	<b>3,123.32</b>	<b>1,030.41</b>	<b>1,249.61</b>	<b>21,899.65</b>	<b>25,692.07</b>	<b>4,178.80</b>	<b>-</b>	<b>57,535.39</b>

As at March 31, 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	328.03	-	2,039.42	-	-	-	2,367.45
Borrowings (other than debt securities)	-	-	36.43	-	-	-	3,300.00	5,150.00	-	-	8,486.43
Other financial liabilities	-	-	-	3,543.21	1.09	4.97	327.92	614.24	-	-	4,491.43
<b>Total</b>	<b>-</b>	<b>-</b>	<b>36.43</b>	<b>3,543.21</b>	<b>329.12</b>	<b>4.97</b>	<b>5,667.34</b>	<b>5,764.24</b>	<b>-</b>	<b>-</b>	<b>15,345.31</b>



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

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

As at March 31, 2023	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent	4,534.08	10,001.30	-	-	-	-	-	-	-	-	14,535.38
Bank balances other than cash and cash equivalents	-	135.86	-	-	-	-	-	274.24	-	-	410.10
Trade receivables	-	-	-	3,876.67	-	3,006.38	-	-	-	-	6,883.04
Loans	-	-	-	-	-	-	3.10	-	-	-	3.10
Investments	-	-	29.29	365.03	200.21	443.04	2,226.05	13,965.62	3,399.14	35,126.39	55,754.77
Other financial assets	-	-	-	638.13	-	15.50	-	2.13	177.21	-	832.97
<b>Total</b>	<b>4,534.08</b>	<b>10,137.16</b>	<b>29.29</b>	<b>4,879.82</b>	<b>200.21</b>	<b>3,464.92</b>	<b>2,229.15</b>	<b>14,241.99</b>	<b>3,576.35</b>	<b>35,126.39</b>	<b>78,419.36</b>

As at March 31, 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent	466.02	-	-	-	-	-	-	-	-	-	466.02
Bank balances other than cash and cash equivalents	-	-	-	-	-	-	110.56	-	-	-	110.56
Trade receivables	-	-	-	5,902.10	-	-	-	-	-	-	5,902.10
Loans	-	-	11.49	-	-	-	1,099.80	-	-	-	1,111.29
Investments	4,160.23	-	130.75	-	-	174.70	1,275.77	4,947.65	5,727.98	314.16	16,731.24
Other financial assets	-	-	-	-	449.63	-	9.20	12.20	-	-	471.03
<b>Total</b>	<b>4,626.25</b>	<b>-</b>	<b>142.24</b>	<b>5,902.10</b>	<b>449.63</b>	<b>174.70</b>	<b>2,495.33</b>	<b>4,959.85</b>	<b>5,727.98</b>	<b>314.16</b>	<b>24,792.24</b>

(iii) Financial assets available to support future lending

Particulars	March 31, 2023				
	Available as collateral	others <sup>1</sup>	others <sup>2</sup>	Pledged as collateral	Total carrying amount
Cash and cash equivalent	-	14,535.38	-	-	14,535.38
Bank balances other than cash and cash equivalents	-	135.86	-	274.24	410.10
Trade receivables	-	-	6,883.04	-	6,883.04

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

Particulars	March 31, 2023				
	Available as collateral	others <sup>1</sup>	others <sup>2</sup>	Pledged as collateral	Total carrying amount
Other financial assets	-	832.97	-	-	832.97
Loan	-	3.10	-	-	3.10
Investments	9,902.37	22,452.40	-	23,400.00	55,754.77
Property, Plant and Equipment	-	1,847.54	-	-	1,847.54
<b>Total</b>	<b>9,902.37</b>	<b>39,807.25</b>	<b>6,883.04</b>	<b>23,674.24</b>	<b>80,266.90</b>

Particulars	As at March 31, 2022				
	Available as collateral	others <sup>1</sup>	others <sup>2</sup>	Pledged as collateral	Total carrying amount
Cash and cash equivalent	-	466.02	-	-	466.02
Bank balances other than cash and cash equivalents	-	-	110.56	-	110.56
Trade receivables	2,531.41	-	3,370.69	-	5,902.10
Other financial assets	-	471.03	-	-	471.03
Loan	-	1,111.29	-	-	1,111.29
Investments	6,035.66	-	-	10,695.57	16,731.23
Property, Plant and Equipment	-	85.53	-	-	85.53
<b>Total</b>	<b>8,567.07</b>	<b>2,133.87</b>	<b>3,481.25</b>	<b>10,695.57</b>	<b>24,877.76</b>

<sup>1</sup> 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.

<sup>2</sup> Represent assets which are used as a security towards facility from financial institution.

E Market Risk

(i) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Currency of borrowing / advances	FY 2022-23					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
₹	25	(5.50)	-	25	5.50	-

Currency of borrowing / advances	FY 2022-23					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
₹	25	(5.50)	-	25	5.50	-



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

(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 ₹ (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities) and equity (due to the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges).

Currency	FY 2022-23					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
US\$	5	150.32	-	5	(150.32)	-

Impact on	FY 2021-22					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
US\$	5	14.12	-	5	(14.12)	-

(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	FY 2022-23					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Equity shares	5	14.12	-	5	(14.12)	-

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

(iv) **Other price risk**

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

Impact on	FY 2022-23					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Units of AIFs	5	696.32	-	5	(696.32)	-
NCDs	5	940.85	-	5	(940.85)	-
Pass through certificates	5	13.84	-	5	(13.84)	-

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

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

**F Market Risk**

**Total market risk exposure**

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios.

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

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



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

## 56 UNCONSOLIDATED STRUCTURED ENTITIES

These are entities that do not meet consolidation criteria explained Note 5.1.3 of the Summary of significant accounting policies.

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

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

Particulars	Alternative Investment Funds	
	March 31, 2023	March 31, 2022
Investments	13,926.36	1,526.87
Trade Receivables	3,567.55	5,093.21
Other financial assets	472.24	283.47
Total Assets	17,966.15	6,903.55
Off-balance sheet exposure	26,318.21	1,202.89
Size of the structured entities	1,360,539.93	1,402,305
Income from the structured entities	16,850.79	14,866.50

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

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

## 57 EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

The Company has undertaken the following transactions in foreign currency:

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

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Advertisement and business promotion	13.18	49.23
Travelling & Conveyance	0.61	-
Membership & Subscription	14.73	-
Database Chgs	23.50	-
	52.02	49.23

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

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

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

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

## 59 PREVIOUS YEAR COMPARATIVES

Previous year figures have been regrouped and rearranged wherever necessary.

## 60 KEY RATIOS

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

**Notes:**

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

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

## 61 CORPORATE SOCIAL RESPONSIBILITY

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

## 62 DECLARATION OF DIVIDEND

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

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



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

#### 64 OTHER ADDITIONAL REGULATORY INFORMATION

##### (i) Title deeds of Immovable Properties not held in name of the Company

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

##### (ii) Loans and Advances

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

- (a) repayable on demand or
- (b) without specifying any terms or period of repayment"

##### (iii) Details of Benami Property held

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

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

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

##### (v) Wilful Defaulter

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

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

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

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

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

##### (viii) Registration of charges or satisfaction of charges with Registrar of Companies (ROC)

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

##### (ix) Utilisation of Borrowed funds and share premium:

- (A) During the year, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (B) During the year, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party(Ultimate Beneficiaries) or
  - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

##### (x) Undisclosed Income

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

##### (xi) Details of Crypto Currency or Virtual Currency

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

As per our report of even date attached

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

**Haridas Bhat**  
Partner  
Membership No: 039070

Mumbai  
May 15, 2023

For and on behalf of the Board of Directors

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

**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

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

**Deepak Mukhija**  
Company Secretary



Independent Auditors’ Report

To the Members of Edelweiss Alternative Asset Advisors Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

OPINION

We have audited the accompanying consolidated Ind AS financial statements of Edelweiss Alternative Asset Advisors Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) comprising of the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated 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 SAs are further described in the ‘Auditor’s Responsibilities for the Audit of the consolidated Ind AS Financial Statements’ section of our report. We are independent of the Group 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 consolidated Ind AS financial statements.

KEY AUDIT MATTERS

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by, the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditors’ Report (Contd.)

Key Audit Matter reported in the standalone Ind AS financial statements of the Holding Company:

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

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR’S REPORT THEREON

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the consolidated Ind AS financial statements and our auditor’s report thereon. The Holding Company’s Annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated 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 consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit

or otherwise appears to be materially misstated. If, based on the work performed, we conclude that there is a material misstatement therein, we are required to report that fact. We have nothing to report in this regard.

When we read the Board Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those Charged with Governance.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles



*Independent Auditors' Report (Contd.)*

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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Holding 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 ability of the Group 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 consolidated Ind AS 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We

*Independent Auditors' Report (Contd.)*

are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditor 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **OTHER MATTER**

We did not audit the financial statements in respect of three subsidiaries, whose financial statements include total assets of ₹ 50,666.81 lakhs as at March 31, 2023, and total revenues of ₹ 46,624.45 lakhs and net cash inflow of ₹ 895.73 lakhs for the year ended on that date are considered in these consolidated Ind AS financial statements. These Ind AS financial statement have been audited by other auditors, which financial statements and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as

it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated Ind AS financial statements;
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;



*Independent Auditors' Report (Contd.)*

- (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, incorporated in India, none of the directors of the Group's companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure B" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been provided by Holding Company, its subsidiaries, incorporated in India, to their 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 and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other matter' paragraph:
- The Group does not have any pending litigations which would impact its consolidated financial position;
  - The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and;
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and
- its subsidiaries, incorporated in India, during the year ended March 31, 2023;
- The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, 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 Holding Company or its subsidiary companies to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall; directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies or; provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
    - The respective managements of the Holding Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies shall; directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or; provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
    - Based on such audit procedures as considered reasonable and appropriate in

*Independent Auditors' Report (Contd.)*

- the circumstances performed by us and that performed by the auditors of the subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act nothing has come to our notice that has caused us to believe that the representations under sub clause a) and b) contain any material mis-statement.
- No dividend has been declared or paid during the year by the Holding Company and its subsidiary companies.
  - Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 01, 2023, and accordingly,
- reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
- For GMJ & Co.**  
Chartered Accountants  
ICAI Firm Registration Number: 103429W
- Haridas Bhat**  
Partner  
Membership No.: 039070  
UDIN: 23039070BGTOUJ7770
- Place: Mumbai  
Date: May 15, 2023

**Annexure "A" to the Independent Auditor's report**

*on the Consolidated Financial Statements of Edelweiss Alternative Asset Advisors Limited for the year ended March 31, 2023*

According to the information and explanations given to us, and based on the Companies (Auditor's Report) Order, 2020 (CARO) issued for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

**For GMJ & Co.**  
Chartered Accountants  
ICAI Firm Registration Number: 103429W

**Haridas Bhat**  
Partner  
Membership No.: 039070  
UDIN: 23039070BGTOUJ7770

Place: Mumbai  
Date: May 15, 2023



## Annexure B to the Auditors' Report

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

### **REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")**

We have audited the internal financial controls over financial reporting of Edelweiss Alternative Asset Advisor Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Annexure B to the Auditors' Report (Contd.)

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING WITH REFERENCE TO THESE STANDALONE IND AS FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **OPINION**

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting

with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Haridas Bhat**  
Partner  
Membership No.:39070  
UDIN: 23039070BGTOUI5229

Place: Mumbai  
Date: May 15, 2023



## Consolidated Balance Sheet

(Currency: Indian rupees in lakhs)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	7	1,903.47	152.66
Other intangible assets	7	84.86	102.06
Intangible assets under development	8	-	6.40
<b>Financial assets</b>			
(i) Bank balances other than cash and cash equivalents	9	274.24	-
(ii) Investments	10	67,049.83	10,994.65
(iii) Other financial assets	11	179.65	12.40
Current tax assets (net)	12	28.55	1,128.15
Other non current assets	13	31,369.43	9,899.74
		100,890.02	22,296.06
<b>Current assets</b>			
<b>Financial assets</b>			
(i) Cash and cash equivalents	14	17,348.76	2,383.67
(ii) Bank balances other than cash and cash equivalents	15	135.86	110.56
(iii) Trade receivables	16	4,804.89	5,950.88
(iv) Investments	17	3,263.62	5,741.45
(v) Loans	18	1,536.79	2,534.40
(vi) Other financial assets	19	962.02	569.39
Current tax assets (net)	20	70.84	481.26
Other current assets	21	3,635.37	2,417.28
		31,758.15	20,188.89
<b>TOTAL ASSETS</b>		132,648.18	42,484.95
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	22.1	1,237.47	1,237.47
Instruments entirely equity in nature	22.2	34,000.00	11,000.00
Other equity		20,132.94	(13,098.12)
		55,370.41	(860.65)
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings (other than debt securities)	23	-	5,150.00
(ii) Debt Securities	24	21,169.39	-
(iii) Trade payables			
(a) total outstanding dues of small enterprises and micro enterprises			
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	25	13,048.88	-
(iv) Lease Liability	26	1,549.66	6.20
(v) Other financial liabilities	27	8,988.40	2,293.12
Provisions	28	371.48	296.57
Deferred tax liability (net)	29	322.49	54.11
Other non current liabilities	30	75.70	94.41
		45,526.00	7,894.41
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	31	3,190.26	3,336.43
(ii) Debt Securities	32	91.98	-
(iii) Trade payables			
(a) total outstanding dues of small enterprises and micro enterprises	33	1.25	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		17,773.15	2,486.30
(iii) Lease Liability	34	295.57	13.70
(iv) Other financial liabilities	35	7,240.92	28,411.53
Provisions	36	55.56	25.35
Current tax liabilities (net)	37	6.25	26.67
Other current liabilities	38	3,096.83	1,151.21
		31,751.78	35,451.19
<b>TOTAL EQUITY AND LIABILITIES</b>		132,648.18	42,484.95
<b>Significant accounting policies and notes forming part of the financial statements</b>	1-64		

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

**Haridas Bhat**  
Partner  
Membership No: 039070

Mumbai  
May 15, 2023

For and on behalf of the Board of Directors

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

**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

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

**Deepak Mukhija**  
Company Secretary

## Consolidated Statement of Profit and Loss

(Currency: Indian rupees in lakhs)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>REVENUE FROM OPERATIONS</b>			
Interest income	39	1,821.58	471.45
Revenue from contract with customers	40	28,145.37	24,337.07
Net gain on fair value changes	41	39,876.01	961.39
<b>Total revenue from operations</b>		69,842.96	25,769.91
Other income	42	279.75	102.69
<b>Total Income</b>		70,122.71	25,872.60
<b>Expenses</b>			
Finance costs	43	1,870.24	1,007.69
Impairment on financial instruments	44	(0.20)	(0.25)
Employee benefits expense	45	12,619.13	11,315.73
Depreciation, amortisation and impairment	7	377.85	147.32
Other expenses	46	21,202.46	8,170.21
<b>Total expenses</b>		36,069.48	20,640.70
<b>Profit before tax</b>		34,053.23	5,231.90
<b>Tax expense:</b>	47		
Current tax		1,566.98	58.56
Deferred tax		266.99	163.15
<b>Profit for the year</b>		32,219.26	5,010.19
<b>Other Comprehensive Income / (loss)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurements of the defined benefit plans		7.60	(54.34)
Income tax relating to items that will not be reclassified to profit or loss		(1.72)	12.67
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences in translating the financial statements of foreign operations		737.55	143.67
<b>Other Comprehensive Income</b>		743.43	102.00
<b>Total Comprehensive Income</b>		32,962.69	5,112.19
<b>Earnings per equity share (face value ₹10 each):</b>			
<b>Basic</b>	48	169.98	26.59
<b>Diluted</b>	48	169.98	26.59
<b>Significant accounting policies and notes forming part of the financial statements</b>	1-64		

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

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

**Haridas Bhat**  
Partner  
Membership No: 039070

Mumbai  
May 15, 2023

For and on behalf of the Board of Directors

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

**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

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

**Deepak Mukhija**  
Company Secretary



## Consolidated Cash Flow Statement

(Currency: Indian rupees in lakhs)

Particulars	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	
Profit before taxation	34,053.22
Adjustments for	
Depreciation and ammortisation expenses	377.86
Impairment of financial instruments	(0.20)
Provision for compensated absences	38.49
Expense on Employee Stock Option Scheme & Stock Appreciation Rights	103.03
Profit on sale of fixed assets	0.07
Finance cost on lease liability	109.06
Net gain on fair value changes (Realised & Unrealised)	(39,542.58)
Interest income	(1,821.58)
Finance cost	1,658.71
<b>Operating cash flow before working capital changes</b>	<b>(5,023.92)</b>
Add / (less): Adjustments for working capital changes	
Increase in trade receivables	1,145.99
(Increase)/Decrease in loans and advances	(3.10)
Increase in other financial assets	(559.88)
Increase in other non current assets	(21,469.69)
Increase in other current assets	(1,218.09)
Increase in trade payables	28,336.98
Increase in provisions	74.24
Increase in other financial liabilities	(14,475.33)
(Decrease) / Increase in other non current liabilities	(18.71)
Increase in other current liabilities	1,945.62
<b>Cash generated from operations</b>	<b>(6,241.97)</b>
Income tax paid/refund	(94.08)
<b>Net cash generated from operating activity - A</b>	<b>(11,359.97)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	
Amount received on Sale of investments Mutual fund	54,537.71
Purchase of Investment of Mutual Fund	(50,377.48)
Purchase of Property, plant & equipmnet and intangible assets	(144.06)
Capital expenditure towards development of intangible assets	6.40
Sale of Property, plant & equipmnet and intangible assets	5.06
Investment in NCD and AIF (net)	(18,195.00)
<b>Net cash used in investing activities - B</b>	<b>(14,167.37)</b>

Consolidated Cash Flow Statement (Contd.)  
(Currency: Indian rupees in lakhs)

Particulars	For the year ended March 31, 2023
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	
Repayment of borrowings & deposits	(6,250.00)
Repayment towards Loan and deposit given	1,100.00
Proceeds from Issue of compulsory convertible debentures	23,000.00
Proceesds from issue of debt securities	21,261.38
Proceeds from working capital facility	952.92
Interest paid (including interest paid on inter corpoate deposits)	(1,657.80)
Principal repayment of leases (Ind AS 116)	(141.38)
Finance cost paid (IND AS 116)	(109.06)
Interest received	1,833.07
<b>Net cash generated from/(used in) financing activities - C</b>	<b>39,989.13</b>
<b>Movement in Foreign Exchange Translation Reserve (D)</b>	<b>802.84</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>15,264.63</b>
<b>Note :</b>	
Cash and cash equivalents as at the beginning of the year	2,494.23
Cash and cash equivalents as at the end of the year	17,758.86
<b>Cash and cash equivalents as at the end of the year</b>	<b>AS at March 31, 2023</b>
Balance with Banks - in Current accounts	5,525.69
Balance with Banks - in escrow accounts	135.86
Fixed deposits with Banks	12,097.31
	17,758.86

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

The Company had no subsidiaries/associates during the year ended March 31, 2022 and hence there was no requirement to prepare consolidated financial statements of the Company for the year ended March 31, 2022. Accordingly, the comparative consolidated cash flow statement for the year ended March 31, 2022 is not applicable to the Company and hence not been presented.

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

**Haridas Bhat**  
Partner  
Membership No: 039070

Mumbai  
May 15, 2023

For and on behalf of the Board of Directors

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

**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

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

**Deepak Mukhija**  
Company Secretary



## Consolidated Statement of Changes in Equity

(Currency: Indian rupees in lakhs)

### (A) EQUITY SHARE CAPITAL

Balance at the beginning of the reporting period (April 01, 2021)	Changes in equity share capital (refer note 22.1)	Balance at the end of the reporting period (March 31, 2022)	Changes in equity share capital (refer note 22.1)	Balance at the end of the reporting period (March 31, 2023)
1,237.47	-	1,237.47	-	1,237.47

### (B) INSTRUMENTS ENTIRELY EQUITY IN NATURE

Balance at the beginning of the reporting period (April 01, 2021)	Changes during the year (refer note 22.2)	Balance at the end of the reporting period (March 31, 2022)	Changes during the year (refer note 22.2)	Balance at the end of the reporting period (March 31, 2023)
11,000.00	-	11,000.00	23,000.00	34,000

### (C) OTHER EQUITY

	Reserves and Surplus						Total
	Securities premium	Share Option Reserve	Debenture Redemption Reserve	Retained earnings	Capital Reserve	Foreign Exchange Translation Reserve	
<b>Balance at March 31, 2021</b>	<b>1,191.12</b>	<b>344.40</b>	-	<b>(3,642.75)</b>	-	<b>274.66</b>	<b>(1,832.57)</b>
Reversal of ESOP/SAR reserve on account of lapses/cancellation post vesting.	-	-	-	489.15	-	-	489.15
Profit for the year	-	-	-	5,010.18	-	-	5,010.18
Add / Less - During the year	-	-	-	-	(16,875.95)	152.75	(16,723.20)
Remeasurement gain / loss on defined benefit plans (OCI)	-	-	-	(41.67)	-	-	(41.67)
<b>Balance at March 31, 2022</b>	<b>1,191.12</b>	<b>344.40</b>	-	<b>1,814.90</b>	<b>(16,875.95)</b>	<b>427.41</b>	<b>(13,098.12)</b>
Reversal of ESOP/SAR reserve on account of lapses/cancellation post vesting.	-	-	-	103.03	-	-	103.03
Profit for the year	-	-	-	32,219.23	-	-	32,219.23
Add / Less - During the year	-	-	2,126	(2,126.14)	100.00	802.91	902.91
Other comprehensive income for the year	-	-	-	5.88	-	-	5.88
<b>Balance at March 31, 2023</b>	<b>1,191.12</b>	<b>344.40</b>	<b>2,126.14</b>	<b>32,016.91</b>	<b>(16,775.95)</b>	<b>1,230.32</b>	<b>20,132.94</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.

#### (iii) Debenture Redemption Reserve

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

#### (iv) Capital reserve

Capital reserve represents the gains of capital nature which is not freely available for distribution

#### (v) Foreign exchange translation reserve

The exchange differences arising out of year end translation of Group entities having functional currency other than Indian Rupees is debited or credited to this reserve.

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

**Haridas Bhat**  
Partner  
Membership No: 039070

Mumbai  
May 15, 2023

For and on behalf of the Board of Directors

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

**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

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

**Deepak Mukhija**  
Company Secretary

## Consolidated Notes to the Financial Statements

(Currency: Indian rupees in lakhs)

### 1 BACKGROUND

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

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

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

### 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

### 3 BASIS OF CONSOLIDATION

The Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Company, its subsidiaries. Control exists when the parent has power over the entity, is exposed or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of the group companies are consolidated on line-by-line basis and intra-group balances and transactions including unrealised gain / loss from such transactions are eliminated upon consolidation. These financial statements are prepared by applying uniform accounting policies in

use at the Group.

### 4 PRESENTATION OF FINANCIAL STATEMENTS

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

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all of the following circumstances:

- the normal course of business
- the event of default
- the event of insolvency or bankruptcy of the Company and or its counterparties

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

#### Assets

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

#### Liabilities

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



*Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)*

## 5 SIGNIFICANT ACCOUNTING POLICIES

### 5.1 Financial Instruments

#### 5.1.1 Date of recognition

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

#### 5.1.2 Initial measurement of financial instruments

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

#### 5.1.3 Day 1 profit or loss

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

### 5.2 Classification of financial instruments

#### 5.2.1 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.

#### 5.2.1.1 Amortised cost and Effective interest method

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

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period,

*Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)*

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.

### 5.2.2 Financial liabilities

All financial liabilities are measured at amortised cost

#### 5.2.2.1 Debt securities and other borrowed funds

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

#### 5.2.2.2 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.

### 5.2.3 Financial liabilities and equity instruments

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

An equity instrument is any contract that evidences a residual interest in the assets of an Company after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

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

### 5.3 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.

### 5.4 Derecognition of financial assets and financial liabilities



*Consolidated Notes to the Financial Statements (Contd.)*  
(Currency: Indian rupees in lakhs)

**5.4.1 Derecognition of financial assets due to substantial modification of terms and conditions**

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

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

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

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

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

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

A transfer only qualifies for derecognition if either:

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

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

transfer.

**5.4.3 Derecognition of financial liabilities**

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

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

**5.5 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

*Consolidated Notes to the Financial Statements (Contd.)*  
(Currency: Indian rupees in lakhs)

credit losses (12m ECL). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

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

If a financial instrument includes both a loan (i.e., financial asset) and an undrawn commitment (i.e. loan commitment) component and the Company cannot separately identify the ECL on the loan commitment component from those on the financial asset component, the ECL on the loan commitment have been recognised together with the loss

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

**5.6 Write off**

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

**5.7 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



*Consolidated Notes to the Financial Statements (Contd.)*  
(Currency: Indian rupees in lakhs)

prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

- Level 2 financial instruments—Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life.
- Level 3 financial instruments –Those that include one or more unobservable input that is significant to the measurement as whole. For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company periodically reviews its valuation techniques including the adopted methodologies and model calibrations.

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

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

#### 5.8 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.

- Revenue from fund management services is recognised over the tenure in accordance with the terms and conditions of the investment management agreement between the Company and the Fund for which the Company acts as a fund manager.
- Fee income including advisory fees is accounted over the period as the customer simultaneously receives and consumes the benefits, as the services are rendered.
- 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.
- Recognition of Interest income
  - Under Ind AS 109 interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost and debt instrument measured at FVOCI. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset.
  - The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loan. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).
  - Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company

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and the amount of income can be measured reliably.

- In case of staff loans interest income is recognised on accrual basis

#### 5.9 Operating leases

As described in Note 54, 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 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

#### 5.9 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.

#### 5.10 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 recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at



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fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

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

#### 5.11 Retirement and other employee benefit

##### Provident fund and national pension scheme

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

##### Gratuity

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

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods

##### Compensated Absences

The eligible employees of the Company are permitted to carry forward certain number of their annual

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

#### 5.12 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 recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the 'Share Option Reserve'. In cases where the share options granted vest in instalments over the vesting period, the Company treats each instalment as a separate grant, because each instalment has a different vesting period, and hence the fair value of each installment differs.

#### 5.13 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 recognised in the carrying amount thereof when those costs meet the recognition criteria as mentioned above. Repairs and maintenance are recognised in profit or loss as incurred.

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

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their useful lives. Depreciation is provided on a written down value basis from the date the asset is ready for its intended use or put to use whichever is earlier. In respect of assets sold, depreciation is provided upto the date of disposal.

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

Estimated useful lives of the assets are as follows:

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

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

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

#### 5.14 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 recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

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

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

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

#### 5.16 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.

#### 5.17 Provisions and other contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the



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obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

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

## 5.18 Income tax expenses

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

### 5.18.1 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.

### 5.18.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all

taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

- the Company will have sufficient taxable profit in the same period as reversal of deductible temporary difference or periods in which a tax loss can be carried forward or back; or
- tax planning opportunities are available that will create taxable profit in appropriate periods.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are

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recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 6 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

### 6.1 Critical judgements in applying accounting policies

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

#### 6.1.1 Business model assessment

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

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

#### 6.1.2 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.

#### 6.1.3 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 58.

#### 6.2 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



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

• **Fair value of financial instruments**

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

• **Impairment of financial assets**

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

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

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

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

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

- Effective interest rate method

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

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

**7 STANDARDS ISSUED BUT NOT YET EFFECTIVE**

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

*Consolidated Notes to the Financial Statements (Contd.)*  
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**7 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLES**

Description of assets	Gross block			Depreciation and amortisation			Net block				
	As at April 01, 2022	Additions during the year	Deductions during the year	Other adjustments	As at March 31, 2023	As at April 01, 2022	Additions during the year	Deductions during the year	Other adjustments	As at March 31, 2023	As at March 31, 2022
(A) Property, plant and equipment											
Furniture & Fixtures	2.53	1.75	-	-	4.28	1.09	0.64	-	-	1.73	1.44
Office equipment	25.70	1.71	-	-	27.41	23.24	1.28	-	-	24.52	2.46
Motor vehicle	5.41	-	2.78	-	2.63	3.06	0.21	0.65	-	2.62	2.35
Computers	152.64	85.80	23.88	1.70	216.26	85.56	72.63	20.87	1.08	138.39	67.08
Leasehold improvement	63.32	-	-	6.61	69.93	2.32	22.15	-	1.40	25.87	61.00
Right to use asset	38.75	1,966.71	-	-	2,005.46	20.42	208.94	-	-	229.36	18.33
Total : A	288.34	2,055.97	26.66	8.31	2,325.97	135.68	305.84	21.52		422.49	152.66
(B) Intangible assets											
Computer software	320.59	54.80	2.77	-	372.61	218.53	72.01	2.78		287.75	102.06
Total : B	320.59	54.80	3.00	-	372.61	218.53	72.01	2.78		287.75	102.06



**7 PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLES**

Description of assets	Gross block						Depreciation and amortisation				Net block	
	As at April 01, 2021	Additions during the year	Deductions during the year	Other adjustments	As at March 31, 2022	As at April 01, 2021	Additions during the year	Deductions during the year	Other adjustments	As at March 31, 2022	As at March 31, 2021	
(A) Property, plant and equipment												
Furniture & Fixtures	2.53	-	-	-	2.53	0.36	0.73	-	-	1.09	1.44	
Office equipment	32.11	-	1.23	0.15	31.03	26.58	3.04	1.19	0.14	28.57	2.46	
Motor vehicle	40.58	-	35.17	-	5.41	31.42	2.22	30.58	-	3.06	2.35	
Computers	108.34	73.83	29.97	0.44	152.64	77.83	36.69	29.22	0.26	85.56	67.08	
Leasehold Improvement	-	62.85	-	0.46	63.32	-	2.31	-	0.01	2.32	61.00	
Right to use asset	38.75	-	-	-	38.75	7.50	12.92	-	0.01	20.42	18.33	
Total : A	222.30	136.68	66.37		293.68	143.69	57.91	60.99		141.02	152.66	
(B) Intangible assets												
Computer software	247.14	77.57	6.77	-	317.94	133.24	89.41	6.77	-	215.88	102.06	
Investment Management Rights	475.00	-	475.00		-	475.00	-	475.00		-	-	
Total : B	247.14	77.57	6.77	-	317.94	133.24	89.41	6.77	-	215.88	102.06	
											113.90	

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**8 INTANGIBLE ASSETS UNDER DEVELOPMENT**

	As at March 31, 2023	As at March 31, 2022
<b>Projects in progress</b>		
Less than 1 year	-	6.40
More than 1 year	-	-
	<b>-</b>	<b>6.40</b>

**9 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

	As at March 31, 2023	As at March 31, 2022
Fixed deposits with banks to the extent held as security against debt securities	274.24	-
	<b>274.24</b>	<b>-</b>

Notes :

- i) Fixed deposit balances with banks earns interest at fixed rate

**10 INVESTMENTS**

	As at March 31, 2023	As at March 31, 2022
<b>i) At Fair Value Through Profit &amp; Loss</b>		
<b>Quoted</b>		
Equity Shares	282.31	-
<b>Unquoted</b>		
Debt securities	15,751.31	8,995.64
Pass through certificates	104.19	467.28
Units of AIF	13,900.93	1,526.87
Carried Interest partner in SLP	37,011.08	4.86
	<b>67,049.83</b>	<b>10,994.65</b>

Notes:

- i) Of the above, Investment in NCD and Investments in units of Alternative Investment Funds (AIF) are pledged with financial institutions, the same has been specified in note 57 E (iii).
- ii) The Company record additional return based on fund NAV and waterfall mechanisms based on Limited Partnership Agreements (LPAs). Fund NAV is determined in accordance with fair value of the assets. MTM gain/loss takes care of impairment on any assets, if any as at the reporting dates. Hence, it minimises uncertainty of claw back, if any.

**11 OTHER FINANCIAL ASSETS**

	As at March 31, 2023	As at March 31, 2022
Securiy Deposits	177.21	12.20
Deposits - others	2.13	0.20
	<b>179.65</b>	<b>12.40</b>



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## 12 CURRENT TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
Advance income taxes	28.55	1,128.15
	28.55	1,128.15

## 13 OTHER NON-CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	31,369.43	9,899.74
	31,369.43	9,899.74

## 14 CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
<b>Balances with banks</b>		
- in current accounts	5,525.70	1,382.51
- in fixed deposits with original maturity less than 3 months	11,823.07	1,001.16
	17,348.76	2,383.67

## 15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at March 31, 2023	As at March 31, 2022
Fixed deposits with banks to the extent held as security against debt securities	-	55.60
Earmarked balances with financial institution	135.86	54.96
	135.86	110.56

**Notes :** Earmarked with bank for a specific purpose and therefore not available for immediate and general use.(Refer note 57 E (iii))

## 16 TRADE RECEIVABLES

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>		
Undisputed Trade receivables – considered good	4,804.89	5,950.88
	4,804.89	5,950.88

**Notes :**

- Trade Receivables specified in note 57 E (iii) have been held as security against debt securities and borrowings
- No trade or other receivables are due from directors or other officers of the company either severally or jointly with any person.

Consolidated Notes to the Financial Statements (Contd.)  
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## Ageing of Trade receivables

Trade receivables days past due	Unbilled	Less than 6 months	6 months -1 year	1-2 years	Total
<b>As at March 31, 2023</b>					
(i) Undisputed Trade receivables – considered good	-	4,804.89	-	-	4,804.89
(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>	-	4,804.89	-	-	4,804.89
<b>As at March 31, 2022</b>					
(i) Undisputed Trade receivables – considered good	-	5,920.47	30.41	-	5,950.88
(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>	-	5,920.47	30.41	-	5,950.88

## 17 INVESTMENTS

	As at March 31, 2023	As at March 31, 2022
<b>At Fair Value Through Profit &amp; Loss</b>		
<b>Quoted</b>		
Equity Shares	-	499.49
Mutual Fund	-	4160.23
<b>Unquoted</b>		
Debt securities	3,065.65	932.01
Pass through certificates	172.55	149.72
Units of AIF	25.43	-
	3,263.62	5,741.45

**Note:**

Of the above, Investment in NCD and Investments in units of Alternative Investment Funds (AIF) are pledged with financial institutions, the same has been specified in note 57 E (iii)



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

## 18 LOANS (AT AMMORTISED COST)

	As at March 31, 2023	As at March 31, 2022
<b>Considered Good- Unsecured</b>		
Loan to employees	3.10	-
Loan to holding company	1,533.69	2,534.60
Less: Impairment loss allowance	-	(0.20)
	<b>1,536.79</b>	<b>2,534.40</b>

Loan to fellow subsidiary is unsecured and as per terms in Memorandum of Understanding (MoU).

## 19 OTHER FINANCIAL ASSETS

	As at March 31, 2023	As at March 31, 2022
Advances recoverable in cash or in kind or for value to be received	799.11	559.94
Security deposits	20.50	9.20
Deposits - others	100.27	0.25
Advance to others	42.14	-
	<b>962.02</b>	<b>569.39</b>

## 20 CURRENT TAX ASSETS (NET)

	As at March 31, 2023	As at March 31, 2022
Advance income taxes and tax deducted at source (refer note 47.3)	70.84	481.26
	<b>70.84</b>	<b>481.26</b>

## 21 OTHER CURRENT ASSETS

	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	3,075.66	2,244.82
Vendor Advances	391.20	136.52
Advances to employees	24.63	21.57
Input tax credit	143.67	14.37
Advances recoverable in cash or in kind or for value to be received	0.21	-
	<b>3,635.37</b>	<b>2,417.28</b>

## 22.1 EQUITY SHARE CAPITAL

	As at March 31, 2023	As at March 31, 2022
<b>a. Authorised :</b>		
23,000,000 (Previous year: 23,000,000) equity shares of ₹ 10/- each	2,300.00	2,300.00
<b>b. Issued, subscribed and paid up:</b>		
12,374,737 (Previous year: 12,374,737) equity shares of ₹ 10/- each, fully paid-up	1,237.47	1,237.47
	<b>1,237.47</b>	<b>1,237.47</b>

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

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

	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
<b>Equity shares</b>				
Number of shares outstanding at the beginning of the year	12,374,737	1,237	12,374,737	1,237
Shares issued during the year	-	-	-	-
Number of shares at the end of the year	12,374,737	1,237	12,374,737	1,237

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

	As at March 31, 2023		As at March 31, 2022	
	No of shares	Percentage of share holding	No of shares	Percentage of share holding
Edelweiss Securities Ltd. and its nominees.	-	-	1,044,884	8.44%
Edelweiss Securities And Investments Pvt. Ltd. and its nominees	12,256,000	99.04%	11,211,116	90.60%
	<b>12,256,000</b>	<b>99.04%</b>	<b>12,256,000</b>	<b>99.04%</b>

## e. Details of shareholding of promoter in the Company:

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

Promoter name	No of shares	% of total shares	% Change during the year
Edelweiss Securities And Investments Pvt. Ltd.	12,256,000	99.04%	8.44%

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

Promoter name	No of shares	% of total shares	% Change during the year
Edelweiss Securities And Investments Pvt. Ltd.	11,211,116	90.60%	0.00%
Edelweiss Securities Ltd.	1,044,884	8.44%	0.00%

## f. Terms/rights attached to equity shares

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

## 22.2 INSTRUMENTS ENTIRELY EQUITY IN NATURE

	As at March 31, 2023	As at March 31, 2022
<b>a. 340,000,000 (Previous year: 110,000,000) compulsory convertible debentures of ₹ 10 each fully paid</b>	<b>34,000.00</b>	<b>11,000.00</b>
	<b>34,000.00</b>	<b>11,000.00</b>



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

b. The movement in instruments during the year :

	As at March 31, 2023		As at March 31, 2022	
	No of CCDs	Amount	No of CCDs	Amount
<b>Compulsory convertible debentures (CCDs)</b>				
Outstanding at the beginning of the year	110,000,000	11,000.00	110,000,000	11,000.00
Issued during the year	230,000,000	23,000.00	-	-
Outstanding at the end of the year	340,000,000	34,000.00	110,000,000	11,000.00

c Details of debentureholders holding more than 5%

	As at March 31, 2023		As at March 31, 2022	
	No of CCDs	Amount	No of CCDs	Amount
Edelweiss Securities And Investments Pvt. Ltd.	340,000,000	34,000.00	110,000,000	11,000.00
	340,000,000	34,000.00	110,000,000	11,000.00

d Terms/rights attached to Instruments entirely equity in nature

- The interest rate is 0.01 % per annum amended from 9% per annum w.e.f October 06, 2021 and CCDs will be converted into equity shares at the end of the term. The CCD's shall be converted into Equity shares in the ratio of 17:1 i.e one Equity Share shall be allotted for every 17 CCDS at the end of 5 years and such resulting number will be rounded off up or down to nearest integer.
- The CCDs issued at 0.01% per annum in the current period shall be converted into the Equity Shares of the Company in the ratio of 173:10 (i.e. 10 Equity Shares will be allotted for 173 CCDs converted) at the end of 5 years.

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

23 BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
<b>Term loan from Financial Institution</b>	-	5,150.00
(Above borrowing is secured term loan from Financial Institution at interest rate of 12 percent per annum which is repayable within 36 months from date of disbursement.)*		
	-	5,150.00
Borrowings in india	-	5,150.00
Borrowings outside india	-	-
	-	5,150.00

(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 57 E (iii)).\*

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

\* - Note relates to previous year

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

24 DEBT SECURITIES

Redeemable non-convertible debentures - secured

	As at March 31, 2023	As at March 31, 2022
<b>Privately placed</b>		
- Market linked debentures	11,169.39	-
- Non Convertible Debentures	10,000.00	-
	21,169.39	-

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

25 TRADE PAYABLES

As at March 31, 2023	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	-	13,048.88	13,048.88
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-
(iv) Disputed dues of other than micro enterprises and small enterprises	-	-	-
	-	13,048.88	13,048.88

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

26 LEASE LIABILITY

	As at March 31, 2023	As at March 31, 2022
Lease liability	1,549.66	6.20
	1,549.66	6.20



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

**27 OTHER FINANCIAL LIABILITIES**

	As at March 31, 2023	As at March 31, 2022
Other payables	8,988.40	2,293.12
	<b>8,988.40</b>	<b>2,293.12</b>

**28 PROVISIONS**

	As at March 31, 2023	As at March 31, 2022
Compensated leave absences	150.97	121.30
Gratuity	220.51	175.27
	<b>371.48</b>	<b>296.57</b>

**29 DEFERRED TAX ASSETS AND LIABILITIES**

	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax assets (net)</b>		
Employee benefit obligations	105.93	72.94
Provision for expected credit losses	(0.05)	0.05
Genral provisions disallowed	8.77	2.05
Property, plant and equipment and intangibles	57.74	(0.70)
<b>Total</b>	<b>172.40</b>	<b>74.34</b>
<b>Deferred tax liabilities (net)</b>		
Fair valuation of Investments	(477.54)	(128.05)
Right of Use Assets less lease liabilities (net)	(17.35)	(0.40)
<b>Total</b>	<b>(494.89)</b>	<b>(128.45)</b>
<b>Deferred tax (liability) / assets (net)</b>	<b>(322.49)</b>	<b>(54.11)</b>

**30 OTHER NON-CURRENT LIABILITIES**

	As at March 31, 2023	As at March 31, 2022
Income received in advance	72.53	94.41
Others	3.17	-
	<b>75.70</b>	<b>94.41</b>

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

**31 BORROWINGS (OTHER THAN DEBT SECURITIES)**

	As at March 31, 2023	As at March 31, 2022
<b>Unsecured</b>		
Loan from fellow subsidiary	2,237.34	3,336.43
(Variable interest rate loan at prevailing market rate ranging from 13.25% to 14.30 % (previous year : 11.80 % to 13.40 %))		
<b>Secured</b>		
Bank Overdraft	952.92	-
(Pari-passu charge on all the current assets of the Borrower, excluding the assets which are exclusively charged to other lenders, with an asset cover of 1.5 times of sanctioned amount)		
	<b>3,190.26</b>	<b>3,336.43</b>
Borrowings in india	<b>3,190.26</b>	<b>3,336.43</b>
Borrowings outside india	-	-
	<b>3,190.26</b>	<b>3,336.43</b>

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

**32 DEBT SECURITIES**

	As at March 31, 2023	As at March 31, 2022
<b>Redeemable non-convertible debentures - secured</b>		
Accrued Interest on Non Convertible Debentures	91.98	-
	<b>91.98</b>	<b>-</b>

**33 TRADE PAYABLES**

As at March 31, 2023	Unbilled	Less than 1 year	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	1.25	1.25
(ii) Total outstanding dues of other than micro enterprises and small enterprises	-	17,773.15	17,773.15
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-
(iv) Disputed dues of other than micro enterprises and small enterprises	-	-	-
	-	<b>17,774.40</b>	<b>17,774.40</b>

As at March 31, 2022	Unbilled	Less than 1 year	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-
(ii) Total outstanding dues of other than micro enterprises and small enterprises	-	2,486.30	2,486.30
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-
(iv) Disputed dues of other than micro enterprises and small enterprises	-	-	-
	-	<b>2,486.30</b>	<b>2,486.30</b>

₹ 1.25 lakhs payable to "Suppliers" in the previous year was due to supplier registered under the Micro, Small and Medium Enterprises Development Act, 2006 and is paid within 45 days. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the said act.



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

**34 LEASE LIABILITY**

	As at March 31, 2023	As at March 31, 2022
Lease liability	295.57	13.70
	295.57	13.70

**35 OTHER FINANCIAL LIABILITIES**

	As at March 31, 2023	As at March 31, 2022
Accrued salaries and benefits	3,212.16	3,973.46
Deposits	1,479.10	-
Interest accrued & not due on compulsory convertible debentures	1.04	0.03
Other payables	2,548.62	1,985.64
Amount payable towards investment in equities considered for consolidation	-	22,452.40
	7,240.92	28,411.53

**36 PROVISIONS**

	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits</b>		
Compensated absences	33.74	24.93
Gratuity	1.61	0.42
Others	20.21	-
	55.56	25.35

**37 CURRENT TAX LIABILITIES (NET)**

	As at March 31, 2023	As at March 31, 2022
Provision for taxation	6.25	26.67
	6.25	26.67

**38 OTHER NON-FINANCIAL LIABILITIES**

	As at March 31, 2023	As at March 31, 2022
Income received in advance	2,372.68	111.47
Withholding taxes, Goods & service tax and other taxes payable	724.15	1,034.08
Others	-	5.65
	3,096.83	1,151.21

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

**39 INTEREST INCOME**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>On Financial assets measured at amortised cost</b>		
Interest on loan to Holding Company	177.31	271.73
Interest on loan given to employees	0.10	0.86
Interest on loan to others	-	1.41
Interest on deposits with Banks	90.04	5.63
Interest on inter corporate deposits	-	-
<b>On Financial assets measured at fair value through profit and loss</b>		
Debt instruments	1,479.42	191.82
Pass through certificates	74.71	-
	1,821.58	471.45

**40 REVENUE FROM CONTRACT WITH CUSTOMERS**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Advisory and other fees	28,145.37	24,337.07
	28,145.37	24,337.07

Disaggregation of the revenue from contracts with customers and its reconciliation to amounts reported in statement of profit and loss:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Service transferred at a point in time	-	-
Service transferred over time	28,145.37	24,337.07
<b>Total revenue from contract with customers</b>	<b>28,145.37</b>	<b>24,337.07</b>

**41 NET GAIN ON FAIR VALUE CHANGES**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Fair value gain/(loss) on financial instruments at fair value through profit or loss	38,980.05	893.17
Profit on sale of investments	562.53	68.22
Income distribution from fund	333.43	-
	39,876.01	961.39



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

**42 OTHER INCOME**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Foreign Exchange Gain	115.32	11.14
Profit on sale of fixed assets (net)	-	4.43
Miscellaneous income and other reimbursements	13.71	68.55
Shared Premises income	1.92	18.57
Interest on Income Tax Refund	148.80	-
	<b>279.75</b>	<b>102.69</b>

**43 FINANCE COSTS**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>On financial liabilities measured at amortised cost</b>		
Interest on loan from financial institution	566.50	125.11
Interest on loan from fellow subsidiaries	343.19	73.50
Interest on non convertible debentures	747.12	-
Interest on inter-corporate deposits	-	-
Interest on compulsorily convertible debentures	1.13	515.25
Interest on lease liability	109.06	2.84
Interest on working capital facility	0.77	-
<b>Other interest expense</b>		
Interest - others	77.52	0.21
Financial and bank charges	24.95	290.78
	<b>1,870.24</b>	<b>1,007.69</b>

**44 IMPAIRMENT ON FINANCIAL INSTRUMENTS**

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>ECL provision on loan given to holding company</b>	<b>(0.20)</b>	<b>(0.25)</b>
	<b>(0.20)</b>	<b>(0.25)</b>

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

**45 EMPLOYEE BENEFIT EXPENSES**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries wages and bonus	11,533.57	10,682.01
Contribution to provident and other funds (refer note 2.31)	613.41	436.28
Expense on Employee Stock Option Scheme (refer note below)	9.03	2.04
Staff welfare expenses	377.97	144.80
Expense on Employee Stock Appreciation Rights (refer note below)	85.15	50.60
	<b>12,619.13</b>	<b>11,315.73</b>

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

**46 OTHER EXPENSES**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement and business promotion	57.95	127.70
Auditors' remuneration (refer note below)	36.29	29.33
Communication	57.87	49.78
Computer expenses	468.36	284.17
Clearing & custodian charges	0.80	0.69
Donation	1.00	0.19
Electricity charges (refer note 2.40)	38.48	18.81
Insurance	25.22	26.53
Legal and professional fees	14,544.61	1,338.46
Membership and subscription	162.99	90.52
Office expenses	87.44	60.39
Postage and courier	5.44	1.41
Mutual Fund Expenses	1.56	-
Printing and stationery	37.78	2.76
Rates and taxes	19.66	1.40
Rating Support Fees	5.90	7.98
Rent (refer note 2.40)	713.94	630.41
Repairs and maintenance	8.56	6.06
Foreign exchange loss (net)	495.91	23.05
Seminar and conference	50.90	32.36
Goods & Service tax expenses	8.52	0.07
Directors' Sitting Fees	21.80	4.80
Stamp paper charges	20.64	2.99



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Stock exchange expenses	2.97	1.49
Loss on sale of fixed assets	0.07	-
Travelling and conveyance	542.78	225.01
Outside Services Cost	93.26	40.42
Selling and Distribution expenses	3,678.72	5,162.37
Miscellaneous expenses	13.04	1.06
	21,202.46	8,170.21

Note:

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>1) Auditors' remuneration:</b>		
As auditor	33.27	27.51
For others	3.03	1.82
	36.29	29.33

**2) Cost Sharing**

- (i) Edelweiss Financial Services Ltd., being the ultimate holding company along with fellow subsidiaries incurs expenditure like group mediclaim, insurance, rent, electricity charges, etc. which is for the common benefit of itself and its certain subsidiaries including the Company. This cost so expended is reimbursed by the Company on the basis of number of employees, area occupied, actual identifications etc. Accordingly, and as identified appropriately, the expenditure heads in the above note are gross of the reimbursements.
- (ii) Edelweiss International (Singapore) Pte Ltd. being the group company incurs common rent & other amenities expenditure which is for the benefit of the Company. This cost so expended is reimbursed by the Company on the basis of area occupied. Accordingly, and as identified by the management, the expenditure heads in the statement of the profit and loss are inclusive of the reimbursements.

**47 DEFERRED TAX ASSETS**

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

Particulars	March 31, 2023	March 31, 2022
Current tax	1,566.98	58.56
Adjustment in respect of current income tax of prior years	-	-
Mat credit entitlement	-	-
Deferred tax relating to origination and reversal of temporary differences	266.99	163.15
<b>Total tax charge</b>	<b>1,833.97</b>	<b>221.71</b>
Current tax	1,566.98	58.56
Deferred tax	266.99	163.15

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

**47.1 RECONCILIATION OF TOTAL TAX CHARGE**

Particulars	March 31, 2023	March 31, 2022
Accounting profit before tax as per financial statements	34,053.23	5,231.90
Tax rate (in percentage)	25.17%	25.17%
Income tax expense calculated based on this tax rate	8,571.20	1,316.87
Adjustment for rate difference	(3,639.48)	(38.83)
Adjustment in respect of current income tax of prior years	(3.16)	28.89
Others	(2,524.90)	(0.50)
Effect of utilisation of tax losses on which deferred tax asset earlier not recognised	(569.70)	(1,084.72)
<b>Tax charge for the year recorded in P&amp;L</b>	<b>1,833.97</b>	<b>221.71</b>
<b>Break-up of income tax recorded in OCI</b>		
<b>Deferred tax</b>		
Employee benefit obligations	(1.72)	12.67
<b>Total</b>	<b>(1.72)</b>	<b>12.67</b>

**48 EARNINGS PER SHARE**

Earnings per share	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Net amount attributable to the equity shareholders (as per statement of profit and loss)	32,219.26	5,010.19
b) Calculation of weighted average number of equity Shares of ₹ 10 each:		
- Number of shares at the beginning of the year	12,374,737	12,374,737
- Shares issued during the year	-	-
- Shares to be issued against compulsory convertible debentures	19,765,386	6,470,588
Total number of equity shares outstanding at the end of the year	32,140,123	18,845,325
Weighted average number of equity shares outstanding during the year (based on the date of issue of shares)	18,954,598	18,845,325
Basic earnings per share (in rupees) (a/b)	169.98	26.59
Diluted earnings per share (in rupees) (a/b)	169.98	26.59

**49 SEGMENT REPORTING**

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



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

## 50 DISCLOSURE AS REQUIRED BY INDIAN ACCOUNTING STANDARD 24 - RELATED PARTY DISCLOSURE

### List of Related Parties

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

Edelweiss Financial Services Ltd. - (Ultimate Holding company)  
Edelweiss Securities And Investments Pvt. Ltd. (Holding company)

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

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

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

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

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

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

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

Nuvama Wealth Management Ltd. (formerly known as Edelweiss Securities Ltd.)

Nuvama Investment Advisors Pvt. Ltd. (formerly known as Edelweiss Investment Advisors Pvt. Ltd.)

Nuvama Financial Services Inc (formerly known as Edelweiss Financial Services Inc.)

#### E Key Managerial Personnel

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

#### Related Party Disclosures

Sr. No.	Nature of Transaction	Related party name	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A)</b>	<b>Transactions with related parties as stated above</b>			
1	<b>Issuance of Compulsory convertible debentures</b>	Edelweiss Securities And Investments Private Ltd.	23,000.00	-
2	<b>Purchase of Non Convertible Debentures from</b>	ECL Finance Ltd.	1,571.90	2,221.40
3	<b>Investment in Units of AIF</b>	India Credit Investment Fund III	206.96	-
4	<b>Purchase of Units of AIF from</b>	ECap Equities Ltd.	2,463.66	-
5	<b>Purchase of Equity Shares (Unquoted) from</b>	Edelweiss Securities And Investments Pvt. Ltd.	1,110.41	-
		Edelweiss Financial Services Ltd.	21,341.99	-
6	<b>Security deposit placed with</b>	Edelweiss Rural & Corporate Services Ltd.	177.21	-
7	<b>Interest expense on loans taken from</b>	Edelweiss Rural & Corporate Services Ltd.	336.56	73.50
		Edelweiss Financial Services Ltd.	6.63	-
8	<b>Interest expense on CCD</b>	Edelweiss Securities And Investments Private Ltd.	1.13	398.16
		Edelweiss Financial Services Ltd.	-	117.10
9	<b>Fund raising Distributor's expenses</b>	Edelweiss Global Wealth Management Ltd.	32.63	35.66
		Edelweiss Global Wealth Management Ltd. (As appearing under prepaid expenses)	187.92	220.55
		Nuvama Wealth and Investment Ltd. (Formerly Edelweiss Broking Ltd.)	1,946.83	2,749.90



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

Sr. No.	Nature of Transaction	Related party name	For the year ended March 31, 2023	For the year ended March 31, 2022
		Nuvama Wealth and Investment Ltd. (Formerly Edelweiss Broking Ltd.) (As appearing under prepaid expenses)	17,103.61	4,452.61
10	<b>Advisory fee expense</b>	ECL Finance Ltd.	409.65	611.01
11	<b>Distribution and sub-advisory fee</b>	Nuvama Financial Services Inc (formerly known as Edelweiss Financial Services Inc.)	903.35	1,614.65
		Edelweiss Asset Mangement Ltd	12.94	14.11
12	<b>Insurance expenses</b>	Zuno General Insurance Ltd.	100.16	52.53
		Edelweiss Tokio Life Insurance Company Ltd	53.72	28.31
13	<b>Corporate Guarantee Fee</b>	Edelweiss Financial Services Ltd.	0.36	0.61
14	<b>Remuneration paid to</b>	Key Management personnel	466.76	549.52
15	<b>Debt Securities - placement fee</b>	Nuvama Wealth and Investment Ltd. (formerly known as Edelweiss Broking Ltd.)	50.06	-
16	<b>Director Sitting Fees paid to</b>	Sunil Phatarphekar	3.80	2.20
		Kanu Doshi	3.80	2.20
		Kamala Kantharaj	0.70	-
17	<b>Cost reimbursements paid to</b>	Edelweiss Financial Services Ltd.	13.73	9.65
		Edelweiss Rural & Corporate Services Ltd.	813.06	503.92
		Edelweiss Securities And Investments Private Ltd.	223.46	195.50
		ECL Finance Ltd.	0.98	3.26
		Nuvama Asset Management Ltd. (formerly known as ESL Securities Ltd.)	0.85	-
		Nuvama Wealth Management Ltd. (formerly known as Edelweiss Securities Ltd.)	0.10	0.14
		Nuvama Wealth and Investment Ltd. (formerly known as Edelweiss Broking Ltd.)	-	0.65
		Edelweiss International (Singapore) Pte Ltd.	80.26	119.59
18	<b>Interest income on loan given</b>	Edelweiss Securities And Investments Private Ltd.	80.97	177.69
		Edelweiss International (Singapore) Pte. Ltd.	96.34	94.04
19	<b>Fee income earned from</b>	Edelweiss Rural & Corporate Services Ltd.	109.43	106.83
		India Credit Investment Fund III	9.56	-
		ECL Finance Ltd.	742.34	982.58
		Edelcap Securities Ltd	15.28	15.97

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

Sr. No.	Nature of Transaction	Related party name	For the year ended March 31, 2023	For the year ended March 31, 2022
		Edelweiss Value Growth Fund	17.64	20.20
		Edelweiss Investment Advisors Ltd.	139.03	153.96
		India Credit Fund II	389.65	292.37
		Edelweiss Private Tech Equity Fund	6.86	6.04
		Edelweiss Securities And Investments Private Ltd.	244.67	-
		ECap Equities Ltd.	373.35	482.67
		Edelweiss Financial Services Ltd.	-	690.00
20	<b>Reimbursements received from</b>	ECL Finance Ltd.	15.87	16.61
		Edelweiss Investment Advisors Ltd.	0.20	-
		Edelweiss Asset Reconstruction Company Ltd.	21.14	6.26
		ECap Equities Ltd.	103.51	6.39
		Edelcap Securities Ltd.	-	0.18
		Edelweiss Rural & Corporate Services Ltd.	29.77	8.57
		Edel Finance Company Ltd.	-	0.19
		Edelweiss Investment Adviser Ltd.	-	0.67
		Nuvama Wealth Finance Ltd. (Formerly Edelweiss Finance & Investments Ltd.)	1.92	11.76
		Nuvama Wealth and Investment Ltd. (formerly known as Edelweiss Broking Ltd.)	-	0.93
		Edelweiss Financial Services Ltd.	-	1,734.00
		Nuvama Wealth Management Ltd. (formerly known as Edelweiss Securities Ltd.)	-	3.71
		Nuvama Clearing Services Ltd. (formerly known as Edelweiss Custodial Services Ltd.)	-	5.88
		Edelweiss International (Singapore) Pte Ltd.	2.85	-
		Nuvama Investment Advisors Private Ltd. (formerly known as Edelweiss Investment Advisors Private Ltd.)	8.67	6.48
21	<b>Transfer of gratuity liability on account of employee transfer from</b>	Edelcap Securities Ltd.	10.12	-
		Edelweiss Asset Reconstruction Company Ltd.	30.98	-
		Edelweiss Rural & Corporate Services Ltd.	7.36	-
		ECL Finance Ltd.	7.75	-



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

Sr. No.	Nature of Transaction	Related party name	For the year ended March 31, 2023	For the year ended March 31, 2022
22	<b>Purchase of Fixed asset</b>	ECL Finance Limited	0.90	-
		Edelweiss Housing Finance Limited	0.06	-
		Edelweiss Financial Services Limited	-	0.29
		Edelweiss Rural & Corporate Services Limited	-	0.14
23	<b>Sale of Fixed Asset</b>	Edelweiss Asset Reconstruction Company Ltd	1.10	-
		Edelweiss Financial Services Limited	0.06	-
		Edelweiss Housing Finance Limited	0.02	-
		Edelweiss Rural & Corporate Services Limited	0.06	-
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	0.02	-
		Edelweiss Asset Management Limited	-	0.01
		Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	0.02	-
B)	<b>Balances with related parties as stated above</b>			
1	<b>Compulsory convertible debentures</b>	Edelweiss Securities And Investments Private Limited	34,000.00	11,000.00
2	<b>Short-term borrowings</b>	Edelweiss Rural & Corporate Services Limited	2,200.00	3,300.00
3	<b>Term loans given</b>	Edelweiss Securities And Investments Private Limited	-	1,099.80
		Edelweiss International (Singapore) Pte Limited	1,525.55	1,408.81
4	<b>Trade payable to</b>	ECL Finance Limited	41.22	28.49
		Edelweiss Securities And Investments Private Limited	76.12	31.52
		Edelweiss Rural & Corporate Services Limited	188.59	37.70
		Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	-	2,039.42
		Edelweiss Housing Finance Limited	0.02	-
		Edelweiss Financial Services Limited	0.68	-
		Edelweiss Investment Adviser Limited	-	23.11
		Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)	-	0.01
		Edelweiss Asset Management Limited	2.89	8.73

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

Sr. No.	Nature of Transaction	Related party name	For the year ended March 31, 2023	For the year ended March 31, 2022
5	<b>Interest accrued and due on borrowings from</b>	Edelweiss Rural & Corporate Services Limited	31.37	36.43
		Edelweiss Financial Services Limited	5.97	-
6	<b>Interest accrued &amp; not due on compulsory convertible debentures</b>	Edelweiss Securities And Investments Private Limited	1.04	0.03
7	<b>Interest accrued on loans given</b>	Edelweiss Securities And Investments Private Limited	-	11.49
		Edelweiss International (Singapore) Pte Limited	8.13	14.31
8	<b>Other payables</b>	Edelweiss Financial Services Limited	89.36	-
		Edelweiss Asset Reconstruction Company Limited	-	1.62
9	<b>Other Receivables</b>	Edelweiss Rural & Corporate Services Limited	8.39	1.37
		Edelcap Securities Limited	10.12	-
		Edelweiss Asset Reconstruction Company Limited	30.98	1.60
		ECL Finance Limited	7.75	4.13
		Edelweiss Value Growth Fund	-	4.49
		Edelweiss Financial Services Limited	-	160.37
		Edelweiss Asset Management Limited	-	0.12
		Zuno General Insurance Limited (formerly known as Edelweiss General Insurance Company Limited)	-	0.01
		EdelGive Foundation	1.17	-
		Edelweiss Financial Services Limited	22.82	23.90
10	<b>Security deposits with</b>	Edelweiss Rural & Corporate Services Limited	177.21	-
11	<b>Contract liability</b>	Nuvama Wealth and Investment Limited (Formerly Edelweiss Broking Limited)	-	927.74
		Nuvama Financial Services Inc (formerly known as Edelweiss Financial Services Inc.)	-	2,693.22
12	<b>Trade receivables</b>	Edelcap Securities Ltd	1.42	1.46
		ECap Equities Limited	27.98	37.52
		Edelweiss Securities And Investments Private Limited	50.00	-
		Edelweiss Rural & Corporate Services Limited	22.82	-
		Edelweiss Asset Reconstructions Company Ltd	1.65	1.16
		Edelweiss Value Growth Fund	5.13	27.71



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

Sr. No.	Nature of Transaction	Related party name	For the year ended March 31, 2023	For the year ended March 31, 2022
		Edelweiss Private Tech Equity Fund	2.00	3.86
		ECL Finance Limited	61.17	-
		India Credit Investment Fund II	173.92	88.74
		India Credit Investment Fund III	11.28	-
		Edelweiss Investment Advisors Limited	10.22	-
		Nuvama Clearing Services Limited (formerly known as Edelweiss Custodial Services Limited)	-	3.34
		Nuvama Wealth Finance Limited (Formerly Edelweiss Finance & Investments Limited)	-	6.67
		Edelweiss Financial Services Limited	-	726.89
C)	<b>Off Balance Sheet Items</b>			
	<b>Corporate Guarantee taken from</b>	Edelweiss Financial Services Limited	-	12,500.00
		Edelweiss Securities And Investments Pvt. Limited	10,000.00	-

## 51 RETIREMENT BENEFIT PLAN

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

Amount of ₹ 496.5 (P.Y: ₹ 347.14) is recognised as expenses and included in "Employee benefit expense" – Note. 45 in statement of Profit and loss.

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

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

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

Particulars	March 31, 2023	March 31, 2022
<b>Present Value of DBO at start of the year</b>	<b>631.72</b>	<b>530.16</b>
Service Cost	103.07	82.59
Interest Cost	40.67	26.97
Benefits Paid	(120.39)	(83.11)
<b>Re-measurements</b>		
a. Actuarial Loss/ (Gain) from changes in demographic assumptions	-	16.90
b. Actuarial Loss/ (Gain) from changes in financial assumptions	(44.70)	(21.90)
c. Actuarial Loss/ (Gain) from experience over the past year	25.48	70.86
Transfer In/ (Out)	57.51	9.25
<b>Present Value of DBO at end of the year</b>	<b>693.36</b>	<b>631.72</b>

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

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

Particulars	March 31, 2023	March 31, 2022
<b>Service Cost</b>		
a. Current Service Cost	103.07	82.59
b. Net Interest on net defined benefit liability/ (asset)	13.84	5.86
<b>Service Cost</b>	<b>116.91</b>	<b>88.45</b>

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

Particulars	March 31, 2023	March 31, 2022
Present Value of DBO	693.36	631.72
Fair Value of Plan Assets	471.24	456.03
Funded Status [Surplus/ (Deficit)]	(222.12)	(175.69)
Experience Adjustment on Plan Liabilities: (Gain)/ Loss	25.48	70.86

**Table 4: Actuarial Assumptions**

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

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

Particulars	March 31, 2023	March 31, 2022
<b>Balance at start of year - (Loss)/ Gain</b>	<b>20.91</b>	<b>75.25</b>
<b>Re-measurements on DBO</b>		
a. Actuarial (Loss)/ Gain from changes in demographic assumptions	-	(16.90)
b. Actuarial (Loss)/ Gain from changes in financial assumptions	44.70	21.90
c. Actuarial (Loss)/ Gain from experience over the past year	(25.48)	(70.86)
<b>Re-measurements on Plan Assets</b>		
Return on Plan assets, excluding amount included in net interest on the net defined benefit liability/ (asset)	(11.62)	11.52
<b>Balance at end of year - (Loss)/ Gain</b>	<b>1.00</b>	<b>20.91</b>

**Table 6: Movement in Net (Liability)/ Asset**

	March 31, 2023	March 31, 2022
Surplus/ (Deficit) at start of year	(175.69)	(106.76)
Net (Acquisition)/ Divestiture	-	-
Net Transfer (In)/ Out	(57.51)	(9.25)
Movement during the year	-	-
Current Service Cost	(103.07)	(82.59)
Past Service Cost	-	-
Net Interest on net DBO	(13.84)	(5.86)
Changes in Foreign Exchange Rates	-	-
Re-measurements – Gains/ (Losses)	7.60	(54.34)
Contributions	120.39	83.11
Surplus/ (Deficit) at end of year	(222.12)	(175.69)



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

**Table 7: Reconciliation of Fair Value of Plan Assets**

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

## 52 CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Particulars	April 01, 2022	Cash flows	Changes in fair values	Exchange differences	Others*	March 31, 2023
Debt securities	-	20,623.45	-	-	637.93	21,261.38
Borrowings other than debt securities	8,486.43	(5,640.13)	-	-	343.96	3,190.26
Total liabilities from financing activities	8,486.43	14,983.32	-	-	981.89	24,451.63

Particulars	April 01, 2021	Cash flows	Changes in fair values	Exchange differences	Others*	March 31, 2022
Borrowings other than debt securities	57.04	7,715.50	-	-	713.89	8,486.43
Deposits		(0.01)			0.01	-
Total liabilities from financing activities	57.04	7,715.49	-	-	713.90	8,486.43

\* Represents Interest expense for the year.

## 53 CONTINGENT LIABILITIES, COMMITMENTS AND LEASE ARRANGEMENTS

### 53.1 Legal claims

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

### 53.2 Contingent liabilities and assets

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

### 53.3 Capital commitments

#### A. Uncalled liabilities

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

#### B. Estimated amounts of contracts

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

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

## 54 OPERATING LEASE COMMITMENTS

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

### i) Right of use asset

Opening As at April 01, 2022	18.33
Addition	1,966.71
Depreciation expense	208.94
<b>Closing as at March 31, 2023</b>	<b>1,776.10</b>

### Right of use asset

Opening As at April 01, 2021	31.25
Addition	-
Depreciation expense	12.92
<b>Closing as at March 31, 2022</b>	<b>18.33</b>

### ii) Lease Liability

Opening As at April 01, 2022	19.90
Addition	1,966.71
Accretion of interest	109.06
Payment	250.44
<b>Closing as at March 31, 2023</b>	<b>1,845.23</b>

### Lease Liability

Opening As at April 01, 2021	32.18
Accretion of interest	2.84
Payment	15.12
<b>Closing as at March 31, 2022</b>	<b>19.90</b>

### iii) Total amount recognised in profit and loss

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

### Total amount recognised in profit and loss

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

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

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



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

v) Other disclosure

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

## 55 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.

## 56 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.

### 56.1 ASSETS AND LIABILITIES BY FAIR VALUE HIERARCHY

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

Particulars	March 31, 2023			
	Level 1	Level 2	Level 3	Total
Units of AIF	-	-	13,926.36	13,926.36
Debt Securities	-	18,816.96	-	18,816.96
Pass through certificates	-	276.73	-	276.73
Equity shares	282.31	-	-	282.31
Carried Interest partner in SLP	-	-	37,011.08	37,011.08
Total financial assets measured at fair value on a recurring basis	282.31	19,093.69	50,937.44	70,313.44

Particulars	March 31, 2022			
	Level 1	Level 2	Level 3	Total
Units of AIF	-	-	1,526.87	1,526.87
Units of Mutual Fund	4,160.23	-	-	4,160.23
Debt Securities	-	9,927.65	-	9,927.65
Pass through certificates	-	617.00	-	617.00
Equity shares	499.49	-	-	499.49
Carried Interest partner in SLP	-	-	4.86	4.86
Total financial assets measured at fair value on a recurring basis	4,659.72	10,544.65	1,531.73	16,736.10

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

## Fair valuation Technique

The equity instrument is 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.

The Company record additional return based on fund NAV and waterfall mechanisms based on Limited Partnership Agreements (LPAs). Fund NAV is determined in accordance with fair value of the assets. MTM gain/loss takes care of impairment on any assets, if any as at the reporting dates. Hence, it minimises uncertainty of claw back, if any. (refer note 56.4)

### 56.2 MOVEMENT IN LEVEL 3 FINANCIAL INSTRUMENT MEASURED AT FAIR VALUE

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

#### Financial year ended March 31, 2023

	Carried Interest partner in SLP	Units of AIF	Total
<b>Investments - at April 01, 2022</b>	4.86	1,526.87	1,531.73
Purchase	-	14,109.59	14,109.59
Redemption during the year	-	(2,417.85)	(2,417.85)
Profit/(loss) during the year recognised in profit or loss	37,006.22	707.75	37,713.97
<b>Investments - at March 31, 2023</b>	37,011.08	13,926.36	50,937.44
Unrealised gain/(loss) related to balances held at the end of the year	37,006.22	707.75	37,713.97

#### Financial year ended March 31, 2022

	Carried Interest partner in SLP	Units of AIF	Total
<b>Investments - at April 01, 2021</b>	4.70	76.89	81.59
Purchase	0.16	1,291.74	1,291.90
Redemption during the year	-	(2.34)	(2.34)
Profit/(loss) during the year recognised in profit or loss	-	160.58	160.58
<b>Investments - at March 31, 2022</b>	4.86	1,526.87	1,531.73
Unrealised gain/(loss) related to balances held at the end of the year	-	160.58	160.58



*Consolidated Notes to the Financial Statements (Contd.)*  
(Currency: Indian rupees in lakhs)

### 56.3 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.

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

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

Type of financial instruments	Fair value of asset as on March 31, 2023	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in units of AIF	13,926.36	Net assets approach	Fair value of underlying investments	NAV per unit ₹ 508.52 - ₹107,284	5%	696.32	5%	(696.32)
Additional Return partner in SLP	37,011.08	Net assets approach	Fair value of underlying investments	NA	5%	4,176.99	5%	(4,206.04)
<b>Total</b>	<b>50,937.44</b>					<b>4,873.31</b>		<b>(4,902.36)</b>

Type of financial instruments	Fair value of asset as on March 31, 2022	Valuation techniques	Significant unobservable input	Range of estimates (weighted-average) for unobservable input	Increase in the unobservable input (% or as the case may be)	Change in fair value	Decrease in the unobservable input (% or as the case may be)	Change in fair value
Investments in units of AIF	1,526.87	Net assets approach	Fair value of underlying investments	NAV per unit ₹ 685.69 - ₹10,773	5%	76.33	5%	(76.33)
Additional Return partner in SLP	4.86	Net assets approach	Fair value of underlying investments	NA	5%	0.24	5%	(0.24)
<b>Total</b>	<b>1,531.73</b>					<b>76.57</b>		<b>(76.57)</b>

### 57 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

*Consolidated Notes to the Financial Statements (Contd.)*  
(Currency: Indian rupees in lakhs)

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

#### C Industry analysis - Risk concentration for March 31, 2023 and March 31, 2022

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

Particulars	As at March 31, 2023				
	Financial services	Infrastructure	Real Estate	Others	Total
<b>Financial assets</b>					
Cash and cash equivalent	17,348.76	-	-	-	17,348.76
Bank balances other than cash and cash equivalents	410.10	-	-	-	410.10
Investments	51,214.17	12,505.84	4,682.90	1,910.54	70,313.45
Other financial assets	841.25	-	-	300.42	1,141.67
Trade receivables	4,370.87	434.02	-	-	4,804.89
Loans	1,533.69	-	-	3.10	1,536.79
<b>Total</b>	<b>75,718.85</b>	<b>12,939.86</b>	<b>4,682.90</b>	<b>2,214.05</b>	<b>95,555.66</b>

Particulars	As at March 31, 2022				
	Financial services	Infrastructure	Real Estate	Others	Total
<b>Financial assets</b>					
Cash and cash equivalent	2,383.67	-	-	-	2,383.67
Bank balances other than cash and cash equivalents	110.56	-	-	-	110.56
Investments	6,308.96	7,481.76	2,179.14	766.24	16,736.10
Other financial assets	559.94	-	-	21.85	581.79
Trade receivables	5,448.90	449.19	-	52.79	5,950.88
Loans	2,534.40	-	-	-	2,534.40
<b>Total</b>	<b>17,346.44</b>	<b>7,930.95</b>	<b>2,179.14</b>	<b>840.88</b>	<b>28,297.41</b>

#### 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.



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

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

As at March 31, 2023	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	973.72	-	16,800.68	13,048.88	-	-	30,823.29
Borrowings	-	-	38.11	-	-	-	3,152.15	-	-	-	3,190.26
Debt Securities	-	-	-	-	91.98	-	-	17,769.40	3,400.00	-	21,261.38
Other financial liabilities	-	-	323.41	3,123.32	171.14	1,249.61	2,669.01	9,759.27	778.80	-	18,074.56
<b>Total</b>	-	-	361.52	3,123.32	1,236.84	1,249.61	22,621.84	40,577.55	4,178.80	-	73,349.49

As at March 31, 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Trade payables	-	-	-	-	446.88	-	2,039.42	-	-	-	2,486.30
Borrowings (other than debt securities)	-	-	36.43	-	-	-	3,300.00	5,150.00	-	-	8,486.43
Other financial liabilities	-	-	-	3,875.76	21.28	4.97	24,523.22	2,299.32	-	-	30,724.55
<b>Total</b>	-	-	36.43	3,875.76	468.17	4.97	29,862.64	7,449.32	-	-	41,697.28

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

As at March 31, 2023	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent	5,525.70	11,823.06	-	-	-	-	-	-	-	-	17,348.76
Bank balances other than cash and cash equivalents	-	135.86	-	-	-	-	-	274.24	-	-	410.10
Trade receivables	-	-	96.02	3,808.86	900.01	-	-	-	-	-	4,804.89
Loans	-	-	-	-	-	-	1,536.79	-	-	-	1,536.79
Investments	-	-	29.29	365.03	200.21	443.04	2,226.05	50,976.70	3,399.14	12,673.99	70,313.45
Other financial assets	-	-	-	638.13	5.10	15.50	303.30	2.33	177.21	-	1,141.57
<b>Total</b>	5,525.70	11,958.92	125.31	4,812.02	1,105.32	458.54	4,066.13	51,253.27	3,576.35	12,673.99	95,555.55

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

As at March 31, 2022	On demand	1 to 14 days	15 days to 1 month	1 month to 2 months	2 months to 3 months	3 months to 6 months	6 months to 1 year	1 year to 3 years	3 years to 5 years	Over 5 years	Total
Cash and cash equivalent	1,382.52	1,001.15	-	-	-	-	-	-	-	-	2,383.67
Bank balances other than cash and cash equivalents	-	-	-	-	-	-	110.56	-	-	-	110.56
Trade receivables	-	-	-	4,444.71	1,506.17	-	-	-	-	-	5,950.88
Loans	1,423.11	-	11.49	-	-	-	1,099.80	-	-	-	2,534.40
Investments	4,160.23	-	130.75	-	-	174.70	1,275.77	4,947.65	5,727.98	319.02	16,736.10
Other financial assets	-	-	-	-	450.89	-	118.50	12.40	-	-	581.79
<b>Total</b>	6,965.86	1,001.15	142.24	4,444.71	1,957.06	174.70	2,604.63	4,960.05	5,727.98	319.02	28,297.40

(iii) Financial assets available to support future lending

Particulars	March 31, 2023				
	Available as collateral	others <sup>1</sup>	others <sup>2</sup>	Pledged as collateral	Total carrying amount
Cash and cash equivalent	-	17,348.76	-	-	17,348.76
Bank balances other than cash and cash equivalents	-	135.86	-	274.24	410.10
Trade receivables	996.03	-	3,808.86	-	4,804.89
Other financial assets	-	1,141.67	-	-	1,141.67
Loan	-	1,536.79	-	-	1,536.79
Investments	46,913.45	-	-	23,400.00	70,313.45
Property, Plant and Equipment	-	1,903.47	-	-	1,903.47
<b>Total</b>	47,909.48	22,066.55	3,808.86	23,674.24	97,459.12

Particulars	As at March 31, 2022				
	Available as collateral	others <sup>1</sup>	others <sup>2</sup>	Pledged as collateral	Total carrying amount
Cash and cash equivalent	-	2,383.67	-	-	2,383.67
Bank balances other than cash and cash equivalents	-	-	110.56	-	110.56
Trade receivables	2,580.19	-	3,370.69	-	5,950.88
Other financial assets	-	581.79	-	-	581.79
Loan	-	2,534.40	-	-	2,534.40
Investments	6,040.53	-	-	10,695.57	16,736.10
Property, Plant and Equipment	-	152.66	-	-	152.66
<b>Total</b>	8,620.73	5,652.52	3,481.25	10,695.57	28,450.07

<sup>1</sup> 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.

<sup>2</sup> Represent assets which are used as a security towards facility from financial institution.



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

**E Market Risk**

**(i) Interest rate risk**

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Currency of borrowing / advances	FY 2022-23					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
₹	25	(1.69)	-	25	1.69	-

Currency of borrowing / advances	FY 2022-23					
	Increase in basis points	Effect on profit before tax	Effect on Equity	Decrease in basis points	Effect on profit before tax	Effect on Equity
₹	25	(1.73)	-	25	1.73	-

**(ii) Currency risk**

Currency risk is the risk that profitability of foreign subsidiary will fluctuate due to changes in foreign exchange rates.

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 ₹ (all other variables being constant) on the statement of profit and loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities) and equity (due to the change in fair value of currency swaps and forward foreign exchange contracts used as cash flow hedges).

Currency	FY 2022-23					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
US\$	5	1,200.44	-	5	(1,200.44)	-

Impact on	FY 2021-22					
	Increase in currency rate (%)	Effect on profit before tax	Effect on Equity	Decrease in currency rate (%)	Effect on profit before tax	Effect on Equity
US\$	5	10.01	-	5	(10.01)	-

**(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	FY 2022-23					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Equity shares	5	14.12	-	5	(14.12)	-

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

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

**(iv) Other price risk**

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

Impact on	FY 2022-23					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Units of AIFs	5	696.32	-	5	(696.32)	-
NCDs	5	940.85	-	5	(940.85)	-
Pass through certificates	5	13.84	-	5	(13.84)	-
Carried Interest partner in SLP	5	1,850.55	-	5	(1,850.55)	-

Impact on	FY 2021-22					
	Increase in price (%)	Effect on profit before tax	Effect on Equity	Decrease in price (%)	Effect on profit before tax	Effect on Equity
Units of AIFs	5	76.33	-	5	(76.33)	-
Units of Mutual Funds	5	208.01	-	5	(208.01)	-
NCDs	5	496.38	-	5	(496.38)	-
Pass through certificates	5	30.85	-	5	(30.85)	-
Carried Interest partner in SLP	5	0.24	-	5	(0.24)	-

**F Market Risk**

**Total market risk exposure**

Fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Company classifies exposures to market risk into either trading or non-trading portfolios.

Particulars	March 31, 2023			March 31, 2022		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Assets</b>						
Cash and cash equivalent	17,348.76	-	17,348.76	2,383.67	-	2,383.67
Bank balances other than cash and cash equivalents	410.10	-	410.10	110.56	-	110.56
Loans	1,536.79	-	1,536.79	2,534.40	-	2,534.40
Trade receivables	4,804.89	-	4,804.89	5,950.88	-	5,950.88
Investments	70,313.45	282.31	70,031.14	16,736.10	4,659.72	12,076.38
Other Financial Assets	1,141.67	-	1,141.67	581.79	-	581.79
<b>Total</b>	<b>95,555.66</b>	<b>282.31</b>	<b>95,273.35</b>	<b>28,297.41</b>	<b>4,659.72</b>	<b>23,637.69</b>



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

Particulars	March 31, 2023			March 31, 2022		
	Carrying amount	Traded risk	Non-traded risk	Carrying amount	Traded risk	Non-traded risk
<b>Liabilities</b>						
Borrowings (other than Debt Securities)	3,190.26	-	3,190.26	8,486.43	-	8,486.43
Debt Securities	21,261.38	-	21,261.38	-	-	-
Trade payables	30,823.28	-	30,823.28	2,486.30	-	2,486.30
Other financial liabilities	18,074.56	-	18,074.56	30,724.55	-	30,724.55
<b>Total</b>	<b>73,349.47</b>	<b>-</b>	<b>73,349.47</b>	<b>41,697.28</b>	<b>-</b>	<b>41,697.28</b>

#### 58 UNCONSOLIDATED STRUCTURED ENTITIES

These are entities that do not meet consolidation criteria explained Note 5.1.3 of the Summary of significant accounting policies.

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

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

Particulars	Alternative Investment Funds	
	March 31, 2023	March 31, 2022
Investments	50,937.44	1,531.73
Trade Receivables	4,033.55	6,097.05
Other financial assets	710.30	368.62
<b>Total Assets</b>	<b>55,681.29</b>	<b>7,997.41</b>
Off-balance sheet exposure	26,318.21	1,202.89
Size of the structured entities	2,434,681.66	2,451,631.81
Income from the structured entities	23,718.28	21,617.91

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income from those structure entities	23,718.28	21,617.91
Type of income	Investment Management Fees	Investment Management Fees
Carrying amount of assets transferred to those structured entities during the period	-	-

Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

#### 59 EARNINGS AND EXPENDITURE IN FOREIGN CURRENCY

The Company has undertaken the following transactions in foreign currency:

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

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Advertisement and business promotion	13.18	49.23
Travelling & Conveyance	0.61	-
Membership & Subscription	14.73	-
Database Chgs	23.50	-
	<b>52.02</b>	<b>49.23</b>

**60** 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.

#### 61 PREVIOUS YEAR COMPARATIVES

Previous year figures have been regrouped and rearranged wherever necessary.

#### 62 KEY RATIOS

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net profit ratio	45.95%	19.36%
Debt Equity Ratio	0.44	-
Debt Service Coverage Ratio	21.54	27.34

##### Notes:

- Net profit ratio = Profit after Tax / Total Income
  - Debt-equity Ratio = Total debt (Debt securities + Borrowings other than debt securities) / Net worth
  - Debt Service Coverage Ratio = Earnings before interest and tax/ (Interest Expense + Principal repayment in next six months)
- Current Ratio, Return on Equity Ratio, Inventory turnover ratio, Trade Receivables turnover ratio, Trade payables turnover ratio, Net capital turnover ratio, Return on Capital employed and Return on investment are not applicable owing to the business model of the Company.

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

#### 64 OTHER ADDITIONAL REGULATORY INFORMATION

##### (i) Title deeds of Immovable Properties not held in name of the Company

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

##### (ii) Loans and Advances

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

- repayable on demand or
- without specifying any terms or period of repayment"



Consolidated Notes to the Financial Statements (Contd.)  
(Currency: Indian rupees in lakhs)

(iii) Details of Benami Property held

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

(iv) Security of current assets against borrowings

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

(v) Wilful Defaulter

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

(vi) Relationship with Struck off Companies

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

(vii) 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.

(viii) 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

(ix) Undisclosed Income

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

(x) 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  
May 15, 2023

For and on behalf of the Board of Directors

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

**Hemal Mehta**  
Chief Financial Officer

Mumbai  
May 15, 2023

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

**Deepak Mukhija**  
Company Secretary

Notes



## Notes





Registered Office:

**Edelweiss House, Off C.S.T.**

Road, Kalina, Mumbai 400098

Tel. no. +91 (22) 4009 4400

Email: [aaaa.info@edelweissalts.com](mailto:aaaa.info@edelweissalts.com)

Website: [www.edelweissalternatives.com](http://www.edelweissalternatives.com)



## NOTICE

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**NOTICE IS HEREBY GIVEN THAT THE 15<sup>TH</sup> ANNUAL GENERAL MEETING ("AGM") OF THE MEMBERS OF EDELWEISS ALTERNATIVE ASSET ADVISORS LIMITED ("THE COMPANY") WILL BE HELD ON FRIDAY, SEPTEMBER 22, 2023 AT 11 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT EDELWEISS HOUSE, OFF. C.S.T. ROAD, KALINA, MUMBAI - 400098, TO TRANSACT THE FOLLOWING BUSINESSES:**

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### **ORDINARY BUSINESS**

1. To receive, consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 together with the Report of the Auditors thereon.
2. To appoint Auditors and to fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to provision of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Nangia & Co. LLP, Chartered Accountants, Mumbai (FRN 002391C/N500069), who have confirmed their eligibility for such appointment pursuant to Section 141 of the Act, as Statutory Auditors of the Company be and are hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years, who shall hold office from the conclusion of this 15<sup>th</sup> AGM till the conclusion of the 20<sup>th</sup> AGM to be held in the year 2028, at such remuneration as may be determined by the Board of Directors of the Company (including its committees thereof).

**RESOLVED FURTHER THAT** the Board of Directors of the Company, (including its committees thereof), be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications to the clauses as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."



## **SPECIAL BUSINESS**

### **3. To appoint Ms. Priyadeep Chopra (DIN: 00079353), as the Non-executive Non-independent Director of the Company.**

To consider and, if thought fit, to pass, with or without modification(s), the following as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 161 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Ms. Priyadeep Chopra (DIN: 00079353) who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. March 24, 2023 and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation.”

By Order of the Board of Directors  
**Edelweiss Alternative Asset Advisors Limited**  
(CIN: U67190MH2008PLC182205)

DEEPAK MUKHIJA  
Digitally signed by  
DEEPAK MUKHIJA  
Date: 2023.08.24  
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**Deepak Mukhija**  
**Company Secretary**  
**A17454**

**Date:** August 24, 2023

**Place:** Mumbai

**Registered Office:**

Edelweiss House,  
Off CST Road,  
Kalina, Mumbai 400 098  
India  
T: +91 22 42722396  
F: +91 22 40194990



## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as proxy on behalf of Members holding in the aggregate not more than 10 % of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10 % of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. In respect of Special Business to be transacted the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed.
3. At the ensuing Annual General Meeting, there are no Directors liable to retire by rotation and due for retirement or reappointment.
4. Appointment of Auditors:

M/s. GMJ & Co., Chartered Accountants would hold office as Statutory Auditors of the Company until the conclusion of the ensuing Annual General Meeting. In view of the expansion in the business of the Company, the Audit Committee and the Board of Directors at their respective meetings held on July 21, 2023 have recommended the appointment of M/s. Nangia & Co. LLP, Chartered Accountants, Mumbai (FRN 002391C/N500069) as the Statutory Auditors of the Company for a term of five years i.e. from the conclusion of ensuing Annual General Meeting of the Company until conclusion of 20<sup>th</sup> Annual General Meeting of the Company. The Company has already received a letter from M/s. Nangia & Co. LLP, Chartered Accountants, Mumbai (FRN 002391C/N500069) communicating their willingness to be appointed as the Statutory Auditors of the Company and that their appointment, if made, would be within the limits, as prescribed under Section 139 of the Companies Act, 2013. In terms of Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the matter pertaining to the appointment of Auditors is proposed at this 15<sup>th</sup> Annual General Meeting.



**EXPLANATORY STATEMENT CONTAINING MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS:**

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 and the Rules framed thereunder, sets out all the material facts relating to the business mentioned under Item No. 3 of the accompanying Notice.

**ITEM NO 3:**

Pursuant to the recommendation made by the Nomination & Remuneration Committee of the Company, the Board had appointed Ms. Priyadeep Chopra (DIN: 00079353) as an Additional Director of the Company with effect from March 24, 2023. Pursuant to Section 161 of the Companies Act, 2013, an additional Director shall hold office till the ensuing Annual General Meeting of the Company. The Board has recommended her appointment as the Director at this Annual General Meeting.

The following additional information is provided in respect of Ms. Priyadeep Chopra (DIN: 00079353):

Name	Ms. Priyadeep Chopra
Age	46
Qualification	Master's degree in Microbiology from Delhi University and Bachelor's Degree in Science - Microbiology from Gargi College.
Experience	Ms. Priyadeep Chopra is President at Edelweiss Group, responsible for Human Resources, Investor and Public relations. She carries a rich and diverse experience spanning across two and a half decades centered around leadership development, culture building and communication. Her current role of Investor and Public relations includes providing strategic direction to broaden and enhance investor relationship, advising the leadership on how best Edelweiss can provide value to our investors, leading internal communications, outward PR strategies that cultivate organizations relationships with media. As HR leader, she provides strategic advice towards Leadership development, Strategic talent acquisition, compensation and benefits, culture, employee experience, well-being, and inclusion programs. She also provides strategic senior HR advisory on people strategy & transformation, leadership, engagement,



	organization design to businesses of Edelweiss – Credit, Asset Management, Asset Reconstruction, Insurance and Wealth Management. She was co-founder of Breakthology Consulting Pvt Ltd. and was a senior partner at Manford Consulting where she led CXO level assignments.
Terms & Conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person	Liabile to retire by rotation
Sitting Fees paid during F.Y. 2022-2023	Nil
Date of first appointment on the Board	March 24, 2023
Shareholding in the Company	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel (KMPs) of the Company	None
The number of meetings of the Board attended during the year	0
Other Directorships	<ul style="list-style-type: none"> <li>• Zuno General Insurance Limited</li> <li>• Edelweiss Tokio Life Insurance Company Limited</li> <li>• Breakthology Consulting Private Limited</li> </ul>
Membership / Chairmanship of Committees of other Boards (includes Audit Committee and Stakeholders Relationship Committee)	None



Ms. Priyadeep Chopra (DIN: 00079353) has given her consent to act as the Director of the Company.

Except Ms. Priyadeep Chopra and her relatives, none of the other Directors, Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested in this item of business.

By Order of the Board of Directors  
**Edelweiss Alternative Asset Advisors Limited**  
(CIN: U67190MH2008PLC182205)

DEEPAK  
MUKHIJA  
Deepak Mukhija  
Company Secretary  
A17454

Digitally signed by  
DEEPAK MUKHIJA  
Date: 2023.08.24  
16:07:47 +05'30'

**Date:** August 24, 2023

**Place:** Mumbai

**Registered Office:**

Edelweiss House,  
Off CST Road,  
Kalina, Mumbai 400 098  
India  
T: +91 22 42722396  
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**Edelweiss Alternative Asset Advisors Limited**

Corporate Identity No. (CIN) – U67190MH2008PLC182205  
 Registered Office: Edelweiss House, Off C.S.T. Road, Kalina,  
 Mumbai – 400 098  
 Tel No.: +91 22 4009 4400

**PROXY FORM**

[Pursuant to Section 105(6) of the  
 Companies Act, 2013 and rule 19(3) of the  
 Companies (Management and  
 Administration) Rules, 2014]

**FORM NO. MGT-11**

Folio No./Depository A/c / BO Id. No. \_\_\_\_\_

I/We, being the member (s) of Edelweiss Alternative Asset Advisors Limited holding \_\_\_\_\_ Equity Shares  
 of the above named Company, hereby appoint:

1. Name	2. Name	3. Name
Registered Address	Registered Address	Registered Address
E-mail Id	E-mail Id	E-mail Id
Signature  ....., or failing him	Signature  ....., or failing him	Signature  .....

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 15<sup>th</sup> Annual  
 General Meeting of the Company, to be held on September 22, 2023 at 11.00 a.m. at the Registered Office at  
 Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400098 and at any adjournment thereof in respect of  
 such resolutions as are indicated below:-

**\*\*I wish my above Proxy to vote in the manner as indicated in the box below:**

Sr. No.	Resolution	For	Against
<b>Ordinary Business</b>			
1	To receive, consider and adopt (a) the audited financial statement of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2023 together with the Report of the Auditors thereon.		
2	To appoint M/s. Nangia & Co. LLP, Chartered Accountants, Mumbai (FRN 002391C/N500069), as the Statutory Auditors of the Company.		



Special Business			
3	To consider and approve appointment of Ms. Priyadeep Chopra (DIN: 00079353), as the Director of the Company.		

\*\* This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Signed this..... day of ..... 2023.

Signature of Shareholder: \_\_\_\_\_

Please affix the  
Revenue Stamp

\_\_\_\_\_  
Signature of 1<sup>st</sup> proxy holder      Signature of 2<sup>nd</sup> proxy holder      Signature of 3<sup>rd</sup> proxy holder

**Note:** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



## Route Map for AGM – Edelweiss House, Off. C.S.T Road, Kalina, Mumbai 400 098

**Land Mark:** Mumbai University Gate No. 1

